



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4692

by Rep. Michelle Mussman

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-11-2.5

Amends the Illinois Municipal Code. Provides that the following information for a customer premises shall not be deemed customer-specific information for the purpose of a request for information from a municipality conducting an audit of a public utility: (i) the premises address and zip code; (ii) the classification of the premises as designated by the public utility, such as residential, commercial, or industrial; (iii) monthly usage information sufficient to calculate taxes due, in therms, kilowatts, minutes, or other such other unit of measurement used to calculate the taxes; (iv) the taxes actually assessed, collected, and remitted to the municipality; (v) the first date of service for the premises, if that date occurred within the period being audited; and (vi) any tax exemption claimed for the premises and any additional information that supports a specific tax exemption, if the municipality requests that information, including the customer name and other relevant data. Provides that a municipality may request certain customer-specific information from a utility for the purpose of conducting an audit of the utility's taxes and the enforcement of any related tax claim.

LRB104 19551 AAS 32999 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 Illinois Municipal Code is amended by
5 changing Section 8-11-2.5 as follows:

6 (65 ILCS 5/8-11-2.5)

7 Sec. 8-11-2.5. Municipal tax review; requests for
8 information.

9 (a) If a municipality has imposed a tax under Section
10 8-11-2, then the municipality, which may act through its
11 designated auditor or agent, may conduct an audit of tax
12 receipts collected from the public utility that is subject to
13 the tax or that collects the tax from purchasers on behalf of
14 the municipality to determine whether the amount of tax that
15 was paid by the public utility was accurate.

16 (b) Not more than once every 2 years, a municipality that
17 has imposed a tax under Section 8-11-2 of this Code may,
18 subject to the limitations and protections stated in the Local
19 Government Taxpayers' Bill of Rights Act, make a written
20 request via e-mail to an e-mail address provided by the
21 utility for any information from a utility in the format
22 maintained by the public utility in the ordinary course of its
23 business that the municipality reasonably requires in order to

1 perform an audit under subsection (a). The information that
2 may be requested by the municipality includes, without
3 limitation:

4 (1) in an electronic format used by the public utility
5 in the ordinary course of its business, the
6 premises-specific and other information used by the public
7 utility to determine the amount of tax due to the
8 municipality, for a time period that includes the year in
9 which the request is made and not more than 6 years
10 immediately preceding that year, as appropriate for the
11 period being audited, and which shall include for each
12 customer premises in the municipality: (i) the premises
13 address and zip code; (ii) the classification of the
14 premises as designated by the public utility, such as
15 residential, commercial, or industrial; (iii) monthly
16 usage information sufficient to calculate taxes due, in
17 therms, kilowatts, minutes, or other such other unit of
18 measurement used to calculate the taxes; (iv) the taxes
19 actually assessed, collected, and remitted to the
20 municipality; (v) the first date of service for the
21 premises, if that date occurred within the period being
22 audited; and (vi) any tax exemption claimed for the
23 premises and any additional information that supports a
24 specific tax exemption, if the municipality requests that
25 information, including the customer name and other
26 relevant data; none of the information specified in items

1 (i) through (vi) of this paragraph (1) shall be deemed
2 customer-specific information. A ~~however, a~~ public utility
3 that is an electric utility may not provide ~~other~~
4 customer-specific information to the municipality; ~~and~~

5 (2) the premises address for customer accounts that
6 the public utility's records indicate are: (i) in a
7 bordering municipality, township, or unincorporated area
8 (other than the City of Chicago), provided that the
9 municipality provides the public utility a list of such
10 bordering jurisdictions; or (ii) in any zip code with
11 boundaries that include or are adjacent to the requesting
12 municipality provided that the municipality provides the
13 public utility a list of those zip codes; this item (ii)
14 applies to requests made on or after September 1, 2022. If
15 any such customer is determined by the municipality and
16 the utility to be located within the requesting
17 municipality, then the public utility shall provide the
18 additional information provided in paragraph (1) of this
19 subsection (b); and -

20 (3) other customer-specific information requested by
21 the municipality.

22 Following the municipality's receipt of the information
23 provided by the public utility pursuant to paragraphs (1) or
24 (2) of this subsection (b), if a question or issue arises that
25 can only be addressed by accessing customer-specific or
26 additional information not described in this Section, then the

1 utility shall attempt to resolve the question or issue without
2 disclosing any customer-specific information.

3 (c) Each public utility must provide the information
4 requested under subsection (b) within 45 days after the date
5 of the request.

6 The time in which a public utility must provide the
7 information requested under subsection (b) may be extended by
8 an agreement between the municipality and the public utility.

9 (d) If an audit by the municipality or its agents finds an
10 error by the public utility in the amount of taxes paid by the
11 public utility, then the municipality must notify the public
12 utility of the error. Any such notice must be issued pursuant
13 to Section 30 of the Local Government Taxpayers' Bill of
14 Rights Act or a lesser period of time from the date the tax was
15 due that may be specified in the municipal ordinance imposing
16 the tax. Upon such a notice, any audit shall be conducted
17 pursuant to Section 35 of the Local Government Taxpayers' Bill
18 of Rights Act subject to the timelines set forth in this
19 subsection (d). The public utility must submit a written
20 response within 60 days after the date the notice was
21 postmarked stating that it has corrected the error or stating
22 the reason that the error is inapplicable or inaccurate. The
23 municipality then has 60 days after the receipt of the public
24 utility's response to review and contest the conclusion of the
25 public utility. If the parties are unable to agree on the
26 disposition of the audit findings within 120 days after the

1 notification of the error to the public utility, then either
2 party may submit the matter for appeal as outlined in Section
3 40 of the Local Government Taxpayers' Bill of Rights Act. If
4 the appeals process does not produce a satisfactory result,
5 then either party may pursue the alleged error in a court of
6 competent jurisdiction.

7 (e) The public utility shall be liable to the municipality
8 for unpaid taxes, including taxes that the public utility
9 failed to properly bill to the customer subject to paragraph
10 (2) of subsection (e-10) of this Section. This subsection (e)
11 does not limit a utility's right to an offsetting credit it
12 would otherwise be entitled to, including that authorized by
13 subsection (c) of Section 8-11-2 of this Code. To the extent
14 that a public utility's errors in past tax collections and
15 payments relate to premises located in an area of the
16 municipality that was annexed on or after March 17, 2023 (the
17 effective date of Public Act 102-1144), however, the public
18 utility shall only be liable for such errors beginning 60 days
19 after the date that the municipality provided the public
20 utility notice of the annexation, provided that the public
21 utility provides municipalities with an email address to send
22 annexation notices. A copy of the annexation ordinance and the
23 map filed with the County Clerk sent to the email address
24 provided by the public utility shall be deemed sufficient
25 notice, but other forms of notice may also be sufficient.

26 (e-5) Upon mutual agreement, a utility and municipality

1 may use a web portal in lieu of email to receive notice of
2 annexations and boundary changes. After December 31, 2025 for
3 a gas public utility that serves more than 2,000,000 customers
4 in Illinois and after December 31, 2022 for all other public
5 utilities that serve more than 1,000,000 retail customers in
6 Illinois, the public utilities shall provide a secure web
7 portal for municipalities to use, and, thereafter, the web
8 portals shall be used by all municipalities to notify the
9 public utilities of annexations. The web portal must provide
10 the municipality with an electronic record of all
11 communications and attached documents that the municipality
12 has submitted through the portal.

13 (e-10) (1) No later than August 1, 2023, the Department of
14 Revenue shall develop and publish a written process to be used
15 by each public utility and each municipality that imposes a
16 tax under Section 8-11-2 of this Code, which may act through
17 its designated auditor or agent, under which:

18 (A) by December 31, 2024, and on a regular schedule
19 thereafter to occur approximately every 5 years, each
20 public utility shall work collaboratively with each
21 municipality to develop and file with the Department of
22 Revenue, a master list of all premises addresses in the
23 municipality (including premises addresses with inactive
24 accounts) that are subject to such tax and all accounts in
25 the municipality that are exempt from such tax, provided
26 that the final date for the first master list shall be

1 extended, at the utility's request, to no later than
2 December 31, 2026;

3 (B) information is provided to the municipality to
4 facilitate development of the master list including
5 information described in paragraph (1) of subsection (b)
6 of this Section regarding all accounts (including premises
7 addresses with inactive accounts) that the public
8 utility's records show are in the municipality and the
9 premises addresses in (i) any bordering municipality, (ii)
10 any bordering township, or (iii) any zip code that is in
11 any part in the municipality or that borders the
12 municipality;

13 (C) any dispute between the public utility and the
14 municipality related to the master list will be resolved;

15 (D) on a semi-annual basis following the development
16 of the master list, each public utility shall provide to
17 each municipality certain information that the
18 municipality can use to nominate changes to the master
19 list, including, but not limited to: (i) a list of any
20 tax-related changes, such as the addition or removal of an
21 exemption, or to the taxing jurisdiction, to any account
22 on the master list; and (ii) new premises addresses within
23 the municipality, any bordering municipality, in any
24 bordering township, or in any zip code that is in any part
25 in the municipality or that borders the municipality;

26 (E) accounts nominated by the municipality to be added

1 or deleted from the master list may be submitted to the
2 public utility and related disputes will be resolved;

3 (F) changes may be made to the master list; and

4 (G) the utility may file a master list based solely on
5 its records if the municipality fails to participate and
6 such a municipality may request to restart the process
7 prior to the end of the 5-year cycle.

8 (2) No public utility is liable for any error in tax
9 collections or payments due more than 60 days after the date
10 that the first master list for the relevant municipality is
11 filed with the Department of Revenue unless such error in tax
12 collection or payment:

13 (A) was related to a premises address on the master
14 list at the time of the error;

15 (B) was related to an area of the municipality annexed
16 on or after March 17, 2023 (the effective date of Public
17 Act 102-1144), notice of which was properly provided to
18 the public utility pursuant to the procedures set forth in
19 subsection (e); or

20 (C) resulted from the public utility's failure to
21 comply with the process established in this subsection
22 (e-10).

23 (3) If the public utility uses a portal as set forth in
24 subsection (e-5), all lists, changes affecting tax collection
25 and remission, proposed corrections, and reports shall be
26 provided through such portal.

1 (e-15) If a customer paid a tax to a municipality that the
2 customer did not owe or was in excess of the tax the customer
3 owed, then the customer may, to the extent allowed by Section
4 9-252 of the Public Utilities Act, recover the tax or over
5 payment from the public utility, and any amount so paid by the
6 public utility may be deducted by that public utility from any
7 taxes then or thereafter owed by the public utility to that
8 municipality.

9 (e-20) (1) Any court of competent jurisdiction shall have
10 the authority to resolve a claim by a municipality that a
11 public utility materially failed to comply with the
12 requirements of subsections (b) or (c) of this Section. If a
13 court finds, after notice and hearing, that a public utility
14 (i) caused a material delay in providing information properly
15 requested under such subsections or (ii) omitted a material
16 portion of information properly requested, then, if the claim
17 relates to subsections (b) or (c), the court shall assess a
18 penalty on the utility of up to \$50,000 per audit, or up to
19 \$10,000 per audit for a utility that served less than 100,000
20 retail customers on the date of the audit notice, or, if the
21 claim relates to subsection (e-10), up to \$50,000 per 5-year
22 master list cycle or up to \$10,000 per cycle for a utility that
23 served less than 100,000 retail customers on the date such
24 master list was filed with the Department, which penalty shall
25 be paid by the public utility to the municipality.
26 Notwithstanding anything to the contrary, a penalty assessed

1 pursuant to this subsection shall be the exclusive remedy for
2 the conduct that is the subject of the claim. A penalty
3 assessed under this subsection shall bar and prohibit pursuit
4 of any other penalty, fine, or recovery related to the conduct
5 for which the penalty was assessed.

6 (2) No penalty shall be assessed by the Department
7 pursuant to this subsection if the Department finds that a
8 delay or omission was immaterial or de minimis.

9 (3) Any penalties or fines paid by a public utility
10 pursuant to this subsection shall not be recoverable through
11 the utility's rates.

12 (4) (Blank).

13 (f) All account-specific, ~~and~~ premises-specific, and
14 customer-specific information provided by a public utility
15 under this Section may be used only for the purpose of an audit
16 of taxes conducted under this Section and the enforcement of
17 any related tax claim. All such information must be held in
18 strict confidence by the municipality and its agents and may
19 not be disclosed to the public under the Freedom of
20 Information Act or under any other similar statutes allowing
21 for or requiring public disclosure.

22 (g) The provisions of this Section shall not be construed
23 as diminishing or replacing any civil remedy available to a
24 municipality, taxpayer, or tax collector.

25 (h) This Section does not apply to any municipality having
26 a population greater than 1,000,000.

1 (i) The changes to subsection (e) and paragraph (2) of
2 subsection (e-10) of this Section made by Public Act 102-1144
3 apply to taxes due on or after August 1, 2022. The remaining
4 changes to this Section made by Public Act 102-1144 apply on or
5 after March 17, 2023 (the effective date of Public Act
6 102-1144).

7 (j) As used in this Section:

8 "Customer-specific information" means the name, phone
9 number, email address, and banking information of a customer.

10 "Customer-specific information" includes the load-shape data
11 associated with a customer account. "Customer-specific
12 information" does not include the tax-exempt status of the
13 premises and the name of tax-exempt customers.

14 "Premises-specific information" means any information,
15 including billing and usage data, associated with a premises
16 address that is not customer-specific information.

17 "Premises address" includes the jurisdiction to which the
18 address is currently coded by the public utility for municipal
19 tax purposes.

20 (Source: P.A. 102-1144, eff. 3-17-23; 103-9, eff. 6-7-23.)