



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1408

Introduced 1/31/2025, by Sen. Patrick J. Joyce

SYNOPSIS AS INTRODUCED:

50 ILCS 310/1	from Ch. 85, par. 701
50 ILCS 310/3	from Ch. 85, par. 703
50 ILCS 310/6	from Ch. 85, par. 706

Amends the Governmental Account Audit Act. Provides that any governmental unit receiving revenue of less than \$1,500,000 (rather than \$850,000) for any fiscal year shall, in lieu of causing an annual audit of the accounts of the unit to be made, either (i) cause an audit of the accounts of the unit to be made once every 4 years and file with the Comptroller an annual financial report containing information required by the Comptroller or (ii) file with the Comptroller an annual financial report containing information required by the Comptroller, a copy of which has been provided to each member of that governmental unit's board of elected officials, presented either in person or by a live phone or web connection during a public meeting, and approved by a 3/5 majority vote. Makes conforming changes. Effective immediately.

LRB104 07612 RTM 17656 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 Governmental Account Audit Act is amended
5 by changing Sections 1, 3, and 6 as follows:

6 (50 ILCS 310/1) (from Ch. 85, par. 701)

7 Sec. 1. Definitions. As used in this Act, unless the
8 context otherwise indicates:

9 "Governmental unit" or "unit" includes all municipal
10 corporations in and political subdivisions of this State that
11 appropriate more than \$5,000 for a fiscal year, with the
12 amount to increase or decrease by the amount of the Consumer
13 Price Index (CPI) as reported on January 1 of each year, except
14 the following:

15 (1) School districts.

16 (2) Cities, villages, and incorporated towns subject
17 to the Municipal Auditing Law, as contained in the
18 Illinois Municipal Code, and cities that file a report
19 with the Comptroller under Section 3.1-35-115 of the
20 Illinois Municipal Code.

21 (3) Counties with a population of 1,000,000 or more.

22 (4) Counties subject to the County Auditing Law.

23 (5) Any other municipal corporations in or political

1 subdivisions of this State, the accounts of which are
2 required by law to be audited by or under the direction of
3 the Auditor General.

4 (6) (Blank).

5 (7) A drainage district, established under the
6 Illinois Drainage Code (70 ILCS 605), that did not receive
7 or expend any moneys during the immediately preceding
8 fiscal year or obtains approval for assessments and
9 expenditures through the circuit court.

10 (8) Public housing authorities that submit financial
11 reports to the U.S. Department of Housing and Urban
12 Development.

13 "Governing body" means the board or other body or officers
14 having authority to levy taxes, make appropriations, authorize
15 the expenditure of public funds or approve claims for any
16 governmental unit.

17 "Comptroller" means the Comptroller of the State of
18 Illinois.

19 "Consumer Price Index" means the Consumer Price Index for
20 All Urban Consumers for all items published by the United
21 States Department of Labor.

22 "Audit report" means the written report of the auditor and
23 all appended statements and schedules relating to that report,
24 presenting or recording the findings of an examination or
25 audit of the financial transactions, affairs, or conditions of
26 a governmental unit.

1 "Auditor" means a licensed certified public accountant, as
2 that term is defined in Section 0.03 of the Illinois Public
3 Accounting Act, or the substantial equivalent of a licensed
4 CPA, as provided under Section 5.2 of the Illinois Public
5 Accounting Act, who performs an audit of governmental unit
6 financial statements and records and expresses an assurance or
7 disclaims an opinion on the audited financial statements.

8 "Report" includes both audit reports and reports filed
9 instead of an audit report by a governmental unit receiving
10 revenue of less than \$1,500,000 ~~\$850,000~~ during any fiscal
11 year to which the reports relate.

12 "Generally accepted accounting principles" means
13 accounting principles generally accepted in the United States.

14 "Generally accepted auditing standards" means auditing
15 standards generally accepted in the United States.

16 (Source: P.A. 100-837, eff. 8-13-18; 101-419, eff. 1-1-20.)

17 (50 ILCS 310/3) (from Ch. 85, par. 703)

18 Sec. 3. Any governmental unit receiving revenue of less
19 than \$1,500,000 ~~\$850,000~~ for any fiscal year shall, in lieu of
20 complying with the requirements of Section 2 for audits and
21 audit reports, beginning with fiscal year 2016, either: (i)
22 cause an audit of the accounts of the unit to be made once
23 every 4 years and file with the Comptroller an annual
24 financial report containing information required by the
25 Comptroller, or (ii) file with the Comptroller an annual

1 financial report containing information required by the
2 Comptroller, a copy of which has been provided to each member
3 of that governmental unit's board of elected officials,
4 presented either in person or by a live phone or web connection
5 during a public meeting, and approved by a 3/5 majority vote.
6 In addition, a governmental unit receiving revenue of less
7 than \$1,500,000 ~~\$850,000~~ may file with the Comptroller any
8 audit reports which may have been prepared under any other
9 law. Any governmental unit receiving revenue of \$1,500,000
10 ~~\$850,000~~ or more for any fiscal year shall, in addition to
11 complying with the requirements of Section 2 for audits and
12 audit reports, file with the Comptroller the financial report
13 required by this Section. Such financial reports shall be on
14 forms so designed by the Comptroller as not to require
15 professional accounting services for its preparation. All
16 reports to be filed with the Comptroller under this Section
17 must be submitted electronically and the Comptroller must post
18 the reports on the Internet no later than 45 days after they
19 are received. If the governmental unit provides the
20 Comptroller's Office with sufficient evidence that the report
21 cannot be filed electronically, the Comptroller may waive this
22 requirement. The Comptroller must also post a list of
23 governmental units that are not in compliance with the
24 reporting requirements set forth in this Section.

25 Any financial report under this Section shall include the
26 name of the purchasing agent who oversees all competitively

1 bid contracts. If there is no purchasing agent, the name of the
2 person responsible for oversight of all competitively bid
3 contracts shall be listed.

4 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;
5 98-1019, eff. 7-1-15.)

6 (50 ILCS 310/6) (from Ch. 85, par. 706)

7 Sec. 6. When the audit is completed the auditor making
8 such audit shall make and sign at least 3 copies of the report
9 of the audit and immediately file them with the governmental
10 unit audited. Governmental units receiving revenue of
11 \$1,500,000 ~~\$850,000~~ or more for any fiscal year shall
12 immediately make one copy of the audit report and one copy of
13 the financial report required by Section 3 of this Act a part
14 of its public record. Governmental units receiving revenue of
15 less than \$1,500,000 ~~\$850,000~~ shall immediately make one copy
16 of the audit report, or one copy of the report authorized by
17 Section 3 of this Act to be filed instead of the audit report,
18 a part of its public record. These copies shall be open to
19 public inspection. In addition, the governmental unit shall
20 file one copy of the report with the Comptroller and with the
21 county clerk of the county in which the principal office of the
22 governmental unit is located. A governmental unit may, in
23 filing its audit report with the Comptroller, transmit with
24 such report any comment or explanation that it wishes to make
25 concerning the report.

1 (Source: P.A. 101-419, eff. 1-1-20.)

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