

## 100TH GENERAL ASSEMBLY State of Illinois 2017 and 2018 HB5644

by Rep. Jeanne M Ives

## SYNOPSIS AS INTRODUCED:

New Act 5 ILCS 120/2 5 ILCS 140/7.5

from Ch. 102, par. 42

Creates the Local Government Bankruptcy Neutral Evaluation Act. Makes legislative findings. Defines terms. Authorizes a local public entity to initiate a neutral evaluation process if that entity is unable to meet its financial obligations. Provides for the selection and qualification of an evaluator, the evaluation process, cessation of an evaluation, declaration of a fiscal emergency, and definition of liabilities. Provides that records prepared for or used in connection with the Local Government Bankruptcy Neutral Evaluation Act are exempt from disclosure. Amends the Open Meetings Act. Provides that a public body may hold closed meetings related to the Local Government Bankruptcy Neutral Evaluation Act. Amends the Freedom of Information Act. Makes conforming changes. Effective immediately.

LRB100 16446 AWJ 31575 b

FISCAL NOTE ACT MAY APPLY

HOUSING AFFORDABILITY IMPACT NOTE ACT MAY APPLY

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1 AN ACT concerning State government.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Local

Government Bankruptcy Neutral Evaluation Act.

Section 3. Findings. Filing for Chapter 9 can reduce service levels to the taxpayers and residents of a local public entity. In some circumstances, it can have major short-term and long-term fiscal consequences for the entity, the surrounding entities, and the State. Filing for bankruptcy protection under Chapter 9 should be considered a last resort, to be instituted only after other reasonable efforts have been made to avoid a bankruptcy filing or otherwise appropriately plan for it. It is in the interest of the State, units of local government, and the public that local governmental entities have sufficiently sound financial capacity to provide required services to the public during any restructuring or financial reorganization process. Furthermore, it is in the best interest of the public, the State, and local governmental entities that employees, trade creditors, bondholders, and other interest-holders be included in an appropriate restructuring process and have an adequate understanding of the financial capacity of local governmental entities and their obligations, as a clear

understanding of both is necessary for any restructuring or reorganization process.

To the extent financial relief granted through Chapter 9 can affect debt service payments, the bondholders have a direct interest in the Chapter 9 process, particularly prior to filing. Therefore, it is important for those parties to be able to participate in a prefiling confidential neutral evaluation process that could assist parties in reaching a settlement and avoiding a bankruptcy filing or otherwise lead to a pre-negotiated consensual plan of readjustment as clearly contemplated by subsection (c) of Section 109 of Title 11 of the United States Code.

To the extent financial relief granted through Chapter 9 could affect public employee compensation, employees have a direct interest in the Chapter 9 process, particularly prior to filing. Therefore, it is important for those parties to be able to participate in a prefiling confidential neutral evaluation process that could assist parties in reaching a settlement or otherwise lead to a pre-negotiated consensual plan of adjustment and avoid a Chapter 9 filing.

Given the connection between State allocations and local budgets, the State has a role in assisting local public entities to address potential insolvency with the goal of averting bankruptcy filings where possible and providing a process designed to make the debt restructuring process in or outside of a Chapter 9 bankruptcy as cost effective and

1 efficient as possible for all participants.

Illinois taxpayers who rely on public safety, senior, recreational, health, library, and other public services, as well as those who own and operate businesses in our communities, deserve every reasonable and appropriate effort that State and local government can make to avoid adverse consequences of Chapter 9 bankruptcy filings, particularly where a neutral evaluation may lead to the avoidance of Chapter 9 filing by an out-of-court resolution of outstanding obligations and disputes.

Resolving local and State business and financial issues in a timely, fair, and cost-effective manner is an integral part of a successful government and is in the public interest. It has long been recognized that alternative dispute resolution proceedings, like a neutral evaluation, offer an economical, discreet, and expeditious way to resolve potentially devastating situations.

Through the neutral evaluation process, the neutral evaluator, a specially trained, neutral third party, can assist the local public entity and its creditors and stakeholders to fully explore alternatives, while allowing the interested parties to exchange information in a confidential environment with the assistance and supervision of a neutral evaluator to determine whether the entity's contractual and financial obligations can be renegotiated on a consensual basis.

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Section 5. Eligibility. A local public entity in this State may file a petition and exercise powers pursuant to applicable federal bankruptcy law if either of the following apply: (i) pursuant to Section 15 of this Act, a neutral evaluation process has been initiated by the local public entity and has ended, or (ii) the local public entity declares a fiscal emergency and adopts a resolution by a majority vote of the governing board pursuant to Section 20 of this Act.

- 9 Section 10. Definitions. As used in this Act the following 10 terms mean:
- "Chapter 9" means Chapter 9 of Title 11 of the United

  States Code.
  - "Creditor" means either of the following:

A person or entity that has a noncontingent claim against a local public entity that arose at the time of or before the commencement of the neutral evaluation process and whose claim represents at least \$5,000,000 or comprises more than 5% of the local public entity's debt or obligations, whichever is less.

A person or entity that would have a noncontingent claim against the local public entity upon the rejection of an executory contract or unexpired lease in a Chapter 9 case and whose claim would represent at least \$5,000,000 or comprises more than 5% of the local public entity's debt or obligations, whichever is less.

1 "Debtor" means a local public entity that may file for 2 bankruptcy under Chapter 9.

"Good faith" means participation by a party in the neutral evaluation process with the intent to negotiate toward a resolution of the issues that are the subject of the neutral evaluation process, including the timely provision of complete and accurate information to provide the relevant parties through the neutral evaluation process with sufficient information, in a confidential manner, to negotiate the readjustment of the local public entity's debt.

"Interested party" means a trustee, a committee of creditors, an affected creditor, an indenture trustee, a pension fund, a bondholder, a union that, under its collective bargaining agreements, has standing to initiate contract or debt restructuring negotiations with the local public entity, or a representative selected by an association of retired employees of the public entity who receive income from the public entity convening the neutral evaluation. A local public entity may invite holders of contingent claims to participate as interested parties in the neutral evaluation if the local public entity determines that the contingency is likely to occur and the claim may represent \$5,000,000 or comprise more than 5% of the local public entity's debt or obligations, whichever is less.

"Local public entity" means any county, municipality, township, special district, public authority, public agency,

- 1 unit of local government, school district, or any other entity
- 2 that is a political subdivision or public agency or
- 3 instrumentality of the State, or that qualifies as a debtor
- 4 under any other federal bankruptcy law applicable to local
- 5 public entities.
- 6 "Local public entity representative" means the person or
- 7 persons designated by the local public entity with authority to
- 8 make recommendations and to attend the neutral evaluation on
- 9 behalf of the governing body of the local public entity.
- "Neutral evaluation" is a form of non-binding alternative
- 11 dispute resolution.
- 12 Section 15. Neutral evaluation process.
- 13 (a) A local public entity may initiate the neutral
- evaluation process if the local public entity is or likely will
- 15 become unable to meet its financial obligations as and when
- those obligations are due or become due and owing. The local
- 17 public entity shall initiate the neutral evaluation by
- 18 providing notice by certified mail of a request for neutral
- 19 evaluation to interested parties, as defined in Section 10 of
- 20 this Act.
- 21 (b) Interested parties shall respond within 10 business
- 22 days after receipt of notice of the local public entity's
- 23 request for neutral evaluation.
- 24 (c) The local public entity and the interested parties
- 25 agreeing to participate in the neutral evaluation shall,

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through a mutually agreed upon process, select the neutral evaluator to oversee the neutral evaluation process and facilitate all discussions in an effort to resolve their disputes.

If the local public entity and interested parties fail to agree on a neutral evaluator within 7 days after the interested parties have responded to the notification sent by the public entity, the public entity shall select 5 qualified neutral evaluators and provide their names, references, backgrounds to the participating interested parties. Within 3 business days, a majority of participating interested parties may strike up to 4 names from the list. If a majority of interested parties strikes 4 participating names, remaining candidate shall be the neutral evaluator. If the majority of participating parties strikes fewer than 4 names, the local public entity may choose which of the remaining candidates shall be the neutral evaluator.

- (d) A neutral evaluator shall have experience and training in conflict resolution and alternative dispute resolution and shall meet at least one of the following qualifications:
  - (1) at least 10 years of high-level business or legal practice involving bankruptcy or service as a United States Bankruptcy Judge; or
  - (2) professional experience or training in local government finance and one or more of the following areas: local government organization, local government debt

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- restructuring, local government finances dispute resolution, Chapter 9 bankruptcy, public finance, taxation, Illinois Constitutional law, Illinois labor law, or federal labor law.
  - (e) The neutral evaluator shall be impartial, objective, independent, and free from prejudice. The neutral evaluator shall not act with partiality or prejudice based on any participant's personal characteristics, background, values or beliefs, or performance during the neutral evaluation process.
  - The neutral evaluator shall avoid a conflict of interest or the appearance of a conflict of interest during the neutral evaluation process. The neutral evaluator shall make a reasonable inquiry to determine whether there are any facts that a reasonable individual would consider likely to create a potential or actual conflict of interest. Notwithstanding subsection (n) of this Section, if the neutral evaluator is informed of the existence of any facts that a reasonable individual would consider likely to create a potential or actual conflict of interest, the neutral evaluator shall disclose these facts in writing to the local public entity and all interested parties involved in the neutral evaluation. If any party to the neutral evaluation objects to the neutral evaluator, that party shall notify all other parties to the neutral evaluation, including the neutral evaluator, within 15 days after receipt of the notice from the neutral evaluator, and the neutral evaluator shall withdraw and a new neutral

- evaluator shall be selected pursuant to subsections (c) and (d) of this Section.
  - evaluator shall not establish another relationship with any of the parties in a manner that would raise questions about the integrity of the neutral evaluation, except that the neutral evaluator may conduct further neutral evaluations regarding other potential local public entities that may involve some of the same or similar constituents to a prior mediation.
  - (h) The neutral evaluator shall conduct the neutral evaluation process in a manner that promotes voluntary, uncoerced decision-making in which each party makes free and informed choices regarding the process and outcome.
  - (i) The neutral evaluator shall not impose a settlement on the parties. The neutral evaluator shall use his or her best efforts to assist the parties to reach a satisfactory resolution of their disputes. Subject to the discretion of the neutral evaluator, the neutral evaluator may make oral or written recommendations for settlement or plan of readjustment to a party privately or to all parties jointly.
  - (j) The neutral evaluator shall inform the local public entity and all parties of the provisions of Chapter 9 relative to other chapters of the bankruptcy codes. This instruction shall highlight the limited authority of United States bankruptcy judges in Chapter 9.
  - (k) The neutral evaluator may request from the parties

- documentation and other information that the neutral evaluator believes may be helpful in assisting the parties to address the obligations between them. This documentation may include the status of funds of the local public entity that clearly distinguishes between general funds and special funds, and the proposed plan of readjustment prepared by the local public entity.
  - (1) The neutral evaluator shall provide counsel and guidance to all parties, shall not be a legal representative of any party, and shall not have a fiduciary duty to any party.
    - (m) In the event of a settlement with all interested parties, the neutral evaluator may assist the parties in negotiating a pre-petitioned, pre-agreed plan of readjustment in connection with a potential Chapter 9 filing.
    - (n) If at any time during the neutral evaluation process the local public entity and a majority of the representatives of the interested parties participating in the neutral evaluation wish to remove the neutral evaluator, the local public entity or any interested party may make a request to the other interested parties to remove the neutral evaluator. If the local public entity and the majority of the interested parties agree that the neutral evaluator should be removed, the parties shall select a new neutral evaluator.
    - (o) The local public entity and all interested parties participating in the neutral evaluation process shall negotiate in good faith. Failure to do so is grounds for ending

- the neutral evaluation process and satisfying the eligibility requirements of item (i) of Section 5 of this Act.
  - (p) The local public entity and interested parties shall provide a representative of each party to attend all neutral evaluation sessions. Each representative shall have the authority to settle and resolve disputes or shall be in a position to present any proposed settlement or plan of readjustment to the parties participating in the neutral evaluation.
  - (q) The parties shall maintain the confidentiality of the neutral evaluation process and shall not disclose statements made, information disclosed, or documents prepared or produced, during the neutral evaluation process, at the conclusion of the neutral evaluation process or during any bankruptcy proceeding unless either of the following occur:
    - (i) all persons that conduct or otherwise participate in the neutral evaluation expressly agree in writing to disclosure of the communication, document, or writing; or
    - (ii) the information is deemed necessary by a judge presiding over a bankruptcy proceeding pursuant to Chapter 9 of Title 11 of the United States Code to determine eligibility of a local public entity to proceed with a bankruptcy proceeding pursuant to subsection (c) of Section 109 of Title 11 of the United States Code.
  - (r) The neutral evaluation established by this process shall not last for more than 60 days after the date the

- evaluator is selected, unless the local public entity or a majority of participating interested parties elect to extend the process for up to 30 additional days. The neutral evaluation process shall not last for more than 90 days after the date the evaluator is selected unless the local public entity and a majority of the interested parties agree to an extension.
  - (s) The local public entity shall pay 50% of the costs of neutral evaluation, including but not limited to the fees of the evaluator, and the creditors shall pay the balance, unless otherwise agreed to by the parties.
  - (t) The neutral evaluation process shall end if any of the following occur:
    - (i) the parties execute a settlement agreement;
    - (ii) the parties reach an agreement or proposed plan of readjustment that requires the approval of a bankruptcy judge;
    - (iii) the neutral evaluation process has exceeded the later of (i) 60 days after the date the neutral evaluator was selected, or (ii) 90 days after the initiation of the neutral evaluation process by the local public entity pursuant to subsection (a) of Section 15 of this Act, the parties have not reached an agreement, and the local public entity and a majority of the interested parties do not agree to extend the neutral evaluation process;
      - (iv) the local public entity initiated the neutral

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evaluation process pursuant to subsection (a) of this

Section and received no responses from interested parties

within the time specified in subsection (b) of this

Section; or

(v) the fiscal condition of the local public entity deteriorates to the point that a fiscal emergency is declared pursuant to Section 20 of this Act and necessitates the need to file a petition and exercise powers pursuant to applicable federal bankruptcy law.

Section 20. Declaration of fiscal emergency. Notwithstanding any other Section of this Act, a local public entity may file a petition and exercise powers pursuant to applicable federal bankruptcy law, if the local public entity declares a fiscal emergency and adopts a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, well-being of the residents of the local public entity's jurisdiction or service area absent the protections of Chapter 9. The resolution shall make findings that the public entity is or will be unable to pay its obligations within the next 60 days. Prior to a declaration of fiscal emergency and adoption of a resolution, the local public entity shall place an item on the agenda of a noticed public hearing on the fiscal condition of the entity to take public comment. The board of supervisors

of a county that intends to take action pursuant to this
Section and places a notice on an agenda regarding a proposed
resolution to declare a fiscal emergency may require local
agencies with funds invested in the county treasury to provide
a 5-day notice of withdrawal before the county is required to
comply with a request for withdrawal of funds by that local
agency.

Section 25. Liabilities. This Act shall not impose any liability or responsibility, in law or equity, upon the State, any department, agency, or other entity of the State, or any officer or employee of the State, for any action taken by any local public entity pursuant to this Act, for any violation of the provisions of this Act by any local public entity, or for any failure to comply with the provisions of this Act by any local public entity. No cause of action against the State, or any department, agency, entity of the State, or any officer or employee of the State acting in their official capacity may be maintained for any activity authorized by this Act, or for the act of a local public entity filing under Chapter 9 of Title 11 of the United States Code, including any proceeding following a local public entity's filing.

Section 30. Confidential Information. All records, including without limitation all reports, writings, letters, memoranda, and other documentary materials, that are prepared

- 1 for or used in connection with the neutral evaluation process,
- 2 the filing of a federal bankruptcy petition, or other actions
- 3 taken by a local public entity or a neutral evaluator under
- 4 this Act are exempt from disclosure, inspection, and copying
- 5 under the Freedom of Information Act.
- 6 Section 35. Statutory lien for bonds.
- 7 (a) As used in this Section:
- 8 "Bond" or "bonds" has the same meaning given to that term
- 9 under Section 3 of the Local Government Debt Reform Act.
- "Statutory lien" shall have the meaning given to that term
- under 11 U.S.C. 101(53) of the Federal Bankruptcy Code.
- 12 (b) All bonds, including general obligation bonds and
- 13 revenue bonds issued and sold under the Local Government Debt
- 14 Reform Act or related laws, including bonds issued under home
- rule powers, issued by a local public entity shall be secured
- by a statutory lien on all revenues received pursuant to the
- 17 levy and collection of tax or the collection or deposit of
- 18 money, funds, or revenues so pledged to the payment of the
- 19 bonds. The statutory lien shall automatically attach from the
- 20 time such pledge is made without further action or
- 21 authorization by the governing authority of the local public
- 22 entity. The statutory lien shall be valid and binding from the
- time the bonds are executed and delivered without any physical
- delivery thereof or further act required, and shall be a first
- 25 priority lien, unless the bonds so otherwise provide.

The revenues received pursuant to the levy and collection 1 2 of the taxes or the collection or deposit of revenues, money, 3 or funds so pledged shall be immediately subject to the statutory lien, and the statutory lien shall automatically 5 attach to the revenues and be effective, binding, and enforceable against the local public entity or its successors, 6 transferees, and creditors, and all others asserting rights 7 8 therein or having claims of any kind in tort, contract, or 9 otherwise against the local public entity, irrespective of 10 whether those parties have notice of the lien and without the 11 need for any physical delivery, recordation, filing, or further 12 act. In addition, revenue bonds issued by a local public entity under the Local Government Debt Reform Act or related laws, 13 14 including bonds issued by a local public entity with home rule 15 authority, shall have all of the protection afforded to special 16 revenue under 11 U.S.C. 901 et. seq., of the Federal Bankruptcy Code, to the extent applicable. 17

- Section 80. The Open Meetings Act is amended by changing

  Section 2 as follows:
- 20 (5 ILCS 120/2) (from Ch. 102, par. 42)
- 21 Sec. 2. Open meetings.
- 22 (a) Openness required. All meetings of public bodies shall 23 be open to the public unless excepted in subsection (c) and 24 closed in accordance with Section 2a.

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- (b) Construction of exceptions. The exceptions contained in subsection (c) are in derogation of the requirement that public bodies meet in the open, and therefore, the exceptions are to be strictly construed, extending only to subjects clearly within their scope. The exceptions authorize but do not require the holding of a closed meeting to discuss a subject included within an enumerated exception.
- (c) Exceptions. A public body may hold closed meetings to consider the following subjects:
  - (1)appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. However, a meeting to consider an increase in compensation to a specific employee of a public body that subject to the Local Government is Waqe Increase Transparency Act may not be closed and shall be open to the public and posted and held in accordance with this Act.
  - (2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees.
  - (3) The selection of a person to fill a public office, as defined in this Act, including a vacancy in a public

office, when the public body is given power to appoint under law or ordinance, or the discipline, performance or removal of the occupant of a public office, when the public body is given power to remove the occupant under law or ordinance.

- (4) Evidence or testimony presented in open hearing, or in closed hearing where specifically authorized by law, to a quasi-adjudicative body, as defined in this Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.
- (5) The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.
- (6) The setting of a price for sale or lease of property owned by the public body.
- (7) The sale or purchase of securities, investments, or investment contracts. This exception shall not apply to the investment of assets or income of funds deposited into the Illinois Prepaid Tuition Trust Fund.
- (8) Security procedures, school building safety and security, and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential danger to the safety of employees, students, staff, the public, or public property.

- (9) Student disciplinary cases.
- (10) The placement of individual students in special education programs and other matters relating to individual students.
- (11) Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.
- (12) The establishment of reserves or settlement of claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act, if otherwise the disposition of a claim or potential claim might be prejudiced, or the review or discussion of claims, loss or risk management information, records, data, advice or communications from or with respect to any insurer of the public body or any intergovernmental risk management association or self insurance pool of which the public body is a member.
- (13) Conciliation of complaints of discrimination in the sale or rental of housing, when closed meetings are authorized by the law or ordinance prescribing fair housing practices and creating a commission or administrative agency for their enforcement.

- (14) Informant sources, the hiring or assignment of undercover personnel or equipment, or ongoing, prior or future criminal investigations, when discussed by a public body with criminal investigatory responsibilities.
  - (15) Professional ethics or performance when considered by an advisory body appointed to advise a licensing or regulatory agency on matters germane to the advisory body's field of competence.
  - (16) Self evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which the public body is a member.
  - (17) The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals, or for the discussion of matters protected under the federal Patient Safety and Quality Improvement Act of 2005, and the regulations promulgated thereunder, including 42 C.F.R. Part 3 (73 FR 70732), or the federal Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereunder, including 45 C.F.R. Parts 160, 162, and 164, by a hospital, or other institution providing medical care, that is operated by the public body.
  - (18) Deliberations for decisions of the Prisoner Review Board.
    - (19) Review or discussion of applications received

1	under	the	Experimental	Organ	Transplantation	Procedures
2	Act.					

- (20) The classification and discussion of matters classified as confidential or continued confidential by the State Government Suggestion Award Board.
- (21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.
- (22) Deliberations for decisions of the State Emergency Medical Services Disciplinary Review Board.
- (23) The operation by a municipality of a municipal utility or the operation of a municipal power agency or municipal natural gas agency when the discussion involves (i) contracts relating to the purchase, sale, or delivery of electricity or natural gas or (ii) the results or conclusions of load forecast studies.
- (24) Meetings of a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.
- (25) Meetings of an independent team of experts under Brian's Law.
- (26) Meetings of a mortality review team appointed under the Department of Juvenile Justice Mortality Review Team Act.

- 1 (27) (Blank).
  - (28) Correspondence and records (i) that may not be disclosed under Section 11-9 of the Illinois Public Aid Code or (ii) that pertain to appeals under Section 11-8 of the Illinois Public Aid Code.
    - (29) Meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.
    - (30) Those meetings or portions of meetings of a fatality review team or the Illinois Fatality Review Team Advisory Council during which a review of the death of an eligible adult in which abuse or neglect is suspected, alleged, or substantiated is conducted pursuant to Section 15 of the Adult Protective Services Act.
    - (31) Meetings and deliberations for decisions of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act.
    - (32) Meetings between the Regional Transportation Authority Board and its Service Boards when the discussion involves review by the Regional Transportation Authority Board of employment contracts under Section 28d of the Metropolitan Transit Authority Act and Sections 3A.18 and

1	3B.26	of th	e Regional	Transportation	Authority	Act.

- (33) Those meetings or portions of meetings of the advisory committee and peer review subcommittee created under Section 320 of the Illinois Controlled Substances Act during which specific controlled substance prescriber, dispenser, or patient information is discussed.
- (34) Meetings of the Tax Increment Financing Reform
  Task Force under Section 2505-800 of the Department of
  Revenue Law of the Civil Administrative Code of Illinois.
- (35) Deliberations about action taken, or which could be taken, pursuant to the Local Government Bankruptcy Neutral Evaluation Act.
- (d) Definitions. For purposes of this Section:

"Employee" means a person employed by a public body whose relationship with the public body constitutes an employer-employee relationship under the usual common law rules, and who is not an independent contractor.

"Public office" means a position created by or under the Constitution or laws of this State, the occupant of which is charged with the exercise of some portion of the sovereign power of this State. The term "public office" shall include members of the public body, but it shall not include organizational positions filled by members thereof, whether established by law or by a public body itself, that exist to assist the body in the conduct of its business.

"Quasi-adjudicative body" means an administrative body

- 1 charged by law or ordinance with the responsibility to conduct
- 2 hearings, receive evidence or testimony and make
- 3 determinations based thereon, but does not include local
- 4 electoral boards when such bodies are considering petition
- 5 challenges.
- 6 (e) Final action. No final action may be taken at a closed
- 7 meeting. Final action shall be preceded by a public recital of
- 8 the nature of the matter being considered and other information
- 9 that will inform the public of the business being conducted.
- 10 (Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480,
- 11 eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16;
- 12 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff.
- 13 8-31-17.)
- 14 Section 85. The Freedom of Information Act is amended by
- 15 changing Section 7.5 as follows:
- 16 (5 ILCS 140/7.5)
- 17 (Text of Section before amendment by P.A. 100-512 and
- 18 100-517)
- 19 Sec. 7.5. Statutory exemptions. To the extent provided for
- 20 by the statutes referenced below, the following shall be exempt
- 21 from inspection and copying:
- 22 (a) All information determined to be confidential
- under Section 4002 of the Technology Advancement and
- Development Act.

- (b) Library circulation and order records identifying library users with specific materials under the Library Records Confidentiality Act.
  - (c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.
  - (d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.
  - (e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.
  - (f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.
  - (g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.
  - (h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and records of any lawfully created State or local inspector

general's office that would be exempt if created or obtained by an Executive Inspector General's office under that Act.

- (i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.
- (j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.
- (k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.
- (1) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.
- (m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.
- (n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital Crimes Litigation Act. This subsection (n) shall apply

until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior to trial or sentencing.

- (o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.
- (p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.
- (q) Information prohibited from being disclosed by the Personnel Records Review Act.
- (r) Information prohibited from being disclosed by the Illinois School Student Records Act.
- (s) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.
- (t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information Exchange in the possession of the Illinois Health

Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms "identified" and "deidentified" shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any subsequent amendments thereto, and any regulations promulgated thereunder.

- (u) Records and information provided to an independent team of experts under Brian's Law.
- (v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.
- (w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.
- (x) Information which is exempted from disclosure under Section 5-1014.3 of the Counties Code or Section 8-11-21 of the Illinois Municipal Code.
  - (y) Confidential information under the Adult

Protective Services Act and its predecessor enabling
statute, the Elder Abuse and Neglect Act, including
information about the identity and administrative finding
against any caregiver of a verified and substantiated
decision of abuse, neglect, or financial exploitation of an
eligible adult maintained in the Registry established
under Section 7.5 of the Adult Protective Services Act.

- (z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.
- (aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.
- (bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.
- (cc) Recordings made under the Law Enforcement Officer-Worn Body Camera Act, except to the extent authorized under that Act.
- (dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.
- (ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.
- (ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed Property Act.
  - (qq) (ff) Information that is prohibited from being

1	disclosed	under	Section	7-603.5	of	the	Illinois	Vehicle
2	Code							

- 3 (hh) (ff) Records that are exempt from disclosure under Section 1A-16.7 of the Election Code.
- 5 <u>(ii)</u> (ff) Information which is exempted from 6 disclosure under Section 2505-800 of the Department of 7 Revenue Law of the Civil Administrative Code of Illinois.
- 8 (jj) All records and information prohibited from being
   9 disclosed, inspected, or copied by the Local Government
   10 Bankruptcy Neutral Evaluation Act.
- 11 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
- 12 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
- 13 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
- 14 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
- 8-28-17; 100-465, eff. 8-31-17; revised 11-2-17.)
- 16 (Text of Section after amendment by P.A. 100-517 but before 17 amendment by P.A. 100-512)
- Sec. 7.5. Statutory exemptions. To the extent provided for by the statutes referenced below, the following shall be exempt from inspection and copying:
- 21 (a) All information determined to be confidential 22 under Section 4002 of the Technology Advancement and 23 Development Act.
- 24 (b) Library circulation and order records identifying 25 library users with specific materials under the Library

Records Confidentiality Act.

- (c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.
- (d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.
- (e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.
- (f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.
- (g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.
- (h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and records of any lawfully created State or local inspector general's office that would be exempt if created or obtained by an Executive Inspector General's office under

1 that Act.

- (i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.
- (j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.
- (k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.
- (1) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.
- (m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.
- (n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital Crimes Litigation Act. This subsection (n) shall apply until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior

- 1 to trial or sentencing.
  - (o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.
  - (p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.
  - (q) Information prohibited from being disclosed by the Personnel Records Review Act.
  - (r) Information prohibited from being disclosed by the Illinois School Student Records Act.
  - (s) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.
  - (t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information Exchange in the possession of the Illinois Health Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms

- "identified" and "deidentified" shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any subsequent amendments thereto, and any regulations promulgated thereunder.
  - (u) Records and information provided to an independent team of experts under Brian's Law.
- (v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.
- (w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.
- (x) Information which is exempted from disclosure under Section 5-1014.3 of the Counties Code or Section 8-11-21 of the Illinois Municipal Code.
- (y) Confidential information under the Adult Protective Services Act and its predecessor enabling statute, the Elder Abuse and Neglect Act, including

information about the identity and administrative finding
against any caregiver of a verified and substantiated
decision of abuse, neglect, or financial exploitation of an
eligible adult maintained in the Registry established
under Section 7.5 of the Adult Protective Services Act.

- (z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.
- (aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.
- (bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.
- (cc) Recordings made under the Law Enforcement Officer-Worn Body Camera Act, except to the extent authorized under that Act.
- (dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.
- (ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.
- (ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed Property Act.
- (gg) (ff) Information that is prohibited from being disclosed under Section 7-603.5 of the Illinois Vehicle Code.

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1	<u>(hh)</u>	<del>(ff)</del>	Records	that	are	exempt	from	disclosure	under
2	Section 1	1A-16	.7 of the	e Elec	ction	n Code.			

- (ii) (ff) Information which is exempted from disclosure under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.
- (jj) (ff) Information and reports that are required to be submitted to the Department of Labor by registering day and temporary labor service agencies but are exempt from disclosure under subsection (a-1) of Section 45 of the Day and Temporary Labor Services Act.
- 11 (kk) All records and information prohibited from being
  12 disclosed, inspected, or copied by the Local Government
  13 Bankruptcy Neutral Evaluation Act.
- 14 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
- 15 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
- 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
- 17 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
- 18 8-28-17; 100-465, eff. 8-31-17; 100-517, eff. 6-1-18; revised
- 19 11-2-17.)
- 20 (Text of Section after amendment by P.A. 100-512)
- 21 Sec. 7.5. Statutory exemptions. To the extent provided for
- by the statutes referenced below, the following shall be exempt
- 23 from inspection and copying:
- 24 (a) All information determined to be confidential
- 25 under Section 4002 of the Technology Advancement and

- 1 Development Act.
  - (b) Library circulation and order records identifying library users with specific materials under the Library Records Confidentiality Act.
  - (c) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.
  - (d) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.
  - (e) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.
  - (f) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.
  - (g) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.
  - (h) Information the disclosure of which is exempted under the State Officials and Employees Ethics Act, and

records of any lawfully created State or local inspector general's office that would be exempt if created or obtained by an Executive Inspector General's office under that Act.

- (i) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.
- (j) Information and data concerning the distribution of surcharge moneys collected and remitted by carriers under the Emergency Telephone System Act.
- (k) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.
- (1) Records and information provided to a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.
- (m) Information provided to the predatory lending database created pursuant to Article 3 of the Residential Real Property Disclosure Act, except to the extent authorized under that Article.
- (n) Defense budgets and petitions for certification of compensation and expenses for court appointed trial counsel as provided under Sections 10 and 15 of the Capital

Crimes Litigation Act. This subsection (n) shall apply until the conclusion of the trial of the case, even if the prosecution chooses not to pursue the death penalty prior to trial or sentencing.

- (o) Information that is prohibited from being disclosed under Section 4 of the Illinois Health and Hazardous Substances Registry Act.
- (p) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.
- (q) Information prohibited from being disclosed by the Personnel Records Review Act.
- (r) Information prohibited from being disclosed by the Illinois School Student Records Act.
- (s) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.
- (t) All identified or deidentified health information in the form of health data or medical records contained in, stored in, submitted to, transferred by, or released from the Illinois Health Information Exchange, and identified or deidentified health information in the form of health data and medical records of the Illinois Health Information

Exchange in the possession of the Illinois Health Information Exchange Authority due to its administration of the Illinois Health Information Exchange. The terms "identified" and "deidentified" shall be given the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any subsequent amendments thereto, and any regulations promulgated thereunder.

- (u) Records and information provided to an independent team of experts under Brian's Law.
- (v) Names and information of people who have applied for or received Firearm Owner's Identification Cards under the Firearm Owners Identification Card Act or applied for or received a concealed carry license under the Firearm Concealed Carry Act, unless otherwise authorized by the Firearm Concealed Carry Act; and databases under the Firearm Concealed Carry Act, records of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act, and law enforcement agency objections under the Firearm Concealed Carry Act.
- (w) Personally identifiable information which is exempted from disclosure under subsection (g) of Section 19.1 of the Toll Highway Act.
- (x) Information which is exempted from disclosure under Section 5-1014.3 of the Counties Code or Section 8-11-21 of the Illinois Municipal Code.

(y) Confidential information under the Ad	ult
Protective Services Act and its predecessor enabl	ing
statute, the Elder Abuse and Neglect Act, includ	.ing
information about the identity and administrative find	.ing
against any caregiver of a verified and substantia	.ted
decision of abuse, neglect, or financial exploitation of	an
eligible adult maintained in the Registry establis	hed
under Section 7.5 of the Adult Protective Services Act.	

- (z) Records and information provided to a fatality review team or the Illinois Fatality Review Team Advisory Council under Section 15 of the Adult Protective Services Act.
- (aa) Information which is exempted from disclosure under Section 2.37 of the Wildlife Code.
- (bb) Information which is or was prohibited from disclosure by the Juvenile Court Act of 1987.
- (cc) Recordings made under the Law Enforcement Officer-Worn Body Camera Act, except to the extent authorized under that Act.
- (dd) Information that is prohibited from being disclosed under Section 45 of the Condominium and Common Interest Community Ombudsperson Act.
- (ee) Information that is exempted from disclosure under Section 30.1 of the Pharmacy Practice Act.
- (ff) Information that is exempted from disclosure under the Revised Uniform Unclaimed Property Act.

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1	<u>(gg)</u>	<del>(ff)</del>	Informatio	on that	is	prohi	bited	from	n being
2	disclosed	unde	r Section	7-603.5	of	the	Illin	ois '	Vehicle
3	Code.								

- (hh) (ff) Records that are exempt from disclosure under Section 1A-16.7 of the Election Code.
- (ii) (ff) Information which is exempted from disclosure under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.
- <u>(jj)</u>(ff) Information and reports that are required to be submitted to the Department of Labor by registering day and temporary labor service agencies but are exempt from disclosure under subsection (a-1) of Section 45 of the Day and Temporary Labor Services Act.
- (kk) (ff) Information prohibited from disclosure under the Seizure and Forfeiture Reporting Act.
- (11) All records and information prohibited from being disclosed, inspected, or copied by the Local Government Bankruptcy Neutral Evaluation Act.
- 19 (Source: P.A. 99-78, eff. 7-20-15; 99-298, eff. 8-6-15; 99-352,
- 20 eff. 1-1-16; 99-642, eff. 7-28-16; 99-776, eff. 8-12-16;
- 21 99-863, eff. 8-19-16; 100-20, eff. 7-1-17; 100-22, eff. 1-1-18;
- 22 100-201, eff. 8-18-17; 100-373, eff. 1-1-18; 100-464, eff.
- 8-28-17; 100-465, eff. 8-31-17; 100-512, eff. 7-1-18; 100-517,
- 24 eff. 6-1-18; revised 11-2-17.)
  - Section 95. No acceleration or delay. Where this Act makes

- changes in a statute that is represented in this Act by text 1
- 2 that is not yet or no longer in effect (for example, a Section
- 3 represented by multiple versions), the use of that text does
- not accelerate or delay the taking effect of (i) the changes
- made by this Act or (ii) provisions derived from any other 5
- 6 Public Act.
- 7 Section 999. Effective date. This Act takes effect upon
- 8 becoming law.