



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB0933

by Rep. David McSweeney

SYNOPSIS AS INTRODUCED:

- 15 ILCS 320/8.5 new
- 55 ILCS 5/5-38012.5 new
- 75 ILCS 5/1-8 new
- 75 ILCS 16/1-60 new
- 75 ILCS 40/4.5 new

Amends the Counties Code, Illinois Local Library Act, Public Library District Act of 1991, and the Village Library Act. Provides that local libraries may not possess securities or financial assets in a fiscal year in excess of 200% of the total revenue (during the preceding fiscal year) of the local library. Provides that if a local library possesses securities or financial assets in excess of 200% of the total revenue, then it must reduce its property tax levy to ensure that the securities or financial assets plus revenue does not exceed 200% of the total revenue. Requires a voter referendum approving any capital improvement project that at least 50% of the projected cost of the project is to be paid for by the local library's securities or financial assets and it imposes additional operating costs on the local library. Requires a local library to disclose on its website its securities and financial assets when the local library's securities and financial assets are in excess of 50% of the total revenue of the local library. Defines terms. Amends the State Library Act. Requires the State Librarian to adopt rules governing when and how local libraries disclose the local library's securities and financial assets on their website.

LRB101 06239 AWJ 51265 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 State Library Act is amended by adding
5 Section 8.5 as follows:

6 (15 ILCS 320/8.5 new)

7 Sec. 8.5. Disclosure by local libraries of securities and
8 financial assets.

9 (a) As used in this Section:

10 "Financial asset" and "security" have the meanings given to
11 those terms in Section 8-102 of the Uniform Commercial Code.

12 "Local library" means a public library or district library
13 operated by a unit of local government. "Local library" does
14 not include county law libraries established under Division
15 5-39 of the Counties Code.

16 "Total revenue" means the revenue of a local library during
17 the preceding fiscal year of the local library.

18 (b) The State Librarian shall adopt rules governing when
19 and how local libraries disclose the local library's securities
20 and financial assets on their website when the local library's
21 securities or financial assets are in excess of 50% of the
22 total revenue of the local library.

1 Section 10. The Counties Code is amended by adding Section
2 5-38012.5 as follows:

3 (55 ILCS 5/5-38012.5 new)

4 Sec. 5-38012.5. Securities or financial assets;
5 disclosure; capital improvement projects. The restrictions and
6 requirements of Section 1-8 of the Illinois Local Library Act
7 apply to a county library established under this Division and
8 its county library board.

9 Section 15. The Illinois Local Library Act is amended by
10 adding Section 1-8 as follows:

11 (75 ILCS 5/1-8 new)

12 Sec. 1-8. Securities or financial assets; disclosure;
13 capital improvement projects.

14 (a) As used in this Section:

15 "Financial asset" and "security" have the meanings given to
16 those terms in Section 8-102 of the Uniform Commercial Code.

17 "Total revenue" means the revenue of a public library
18 during the preceding fiscal year of the public library.

19 (b) A public library may not possess securities or
20 financial assets in a fiscal year in excess of 200% of the
21 total revenue of the public library.

22 (c) If, on the effective date of this amendatory Act of the
23 101st General Assembly, a public library possesses securities

1 or financial assets in in excess of 200% of the total revenue
2 of the public library during the preceding fiscal year of the
3 public library, the public library must, no later than one year
4 after the effective date of this amendatory Act of the 101st
5 General Assembly, reduce its property tax levy to ensure that
6 the securities or financial assets plus revenue does not exceed
7 200% of the total revenue of the public library.

8 (d) If a public library seeks to initiate a capital
9 improvement project that at least 50% of the projected cost of
10 the project is to be paid for by the public library's
11 securities or financial assets and the capital improvement
12 project will impose additional operating costs upon the public
13 library, then, prior to commencement of the project, the
14 corporate authorities of the public library must submit the
15 project to referendum for the voters of the public library to
16 approve.

17 (e) The corporate authorities of a public library must
18 disclose the public library's securities and financial assets
19 on its website, as required by rules adopted by the State
20 Librarian under Section 8.5 of the State Library Act, when the
21 public library's securities and financial assets are in excess
22 of 50% of the total revenue of the public library.

23 Section 20. The Public Library District Act of 1991 is
24 amended by adding Section 1-60 as follows:

1 (75 ILCS 16/1-60 new)

2 Sec. 1-60. Securities or financial assets; disclosure;
3 capital improvement projects. The restrictions and
4 requirements of Section 1-8 of the Illinois Local Library Act
5 apply to a district established under this Act and its board.

6 Section 25. The Village Library Act is amended by adding
7 Section 4.5 as follows:

8 (75 ILCS 40/4.5 new)

9 Sec. 4.5. Securities or financial assets; disclosure;
10 capital improvement projects. The restrictions and
11 requirements of Section 1-8 of the Illinois Local Library Act
12 apply to a public library established under this Act and its
13 board of trustees.