



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2537

Introduced 2/19/2021, by Rep. Denyse Stoneback

SYNOPSIS AS INTRODUCED:

10 ILCS 5/9-13

from Ch. 46, par. 9-13

Amends the Election Code. Provides that a political committee selected to conduct an audit shall only be required to conduct the audit if it was required to file at least one quarterly report during the period to be covered by the audit and has a fund balance of \$10,000 or more, an average closing fund balance of \$10,000 or more on quarterly reports, or average total receipts of \$4,000 or more on quarterly reports. Requires a political committee owing unpaid fines at the time of its random selection to conduct an audit.

LRB102 14079 SMS 19431 b

1 AN ACT concerning elections.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Election Code is amended by changing
5 Section 9-13 as follows:

6 (10 ILCS 5/9-13) (from Ch. 46, par. 9-13)

7 Sec. 9-13. Audits of political committees.

8 (a) The Board shall have the authority to order a
9 political committee to conduct an audit of the financial
10 records required to be maintained by the committee to ensure
11 compliance with Sections 9-8.5 and 9-10. Audits ordered by the
12 Board shall be conducted as provided in this Section and as
13 provided by Board rule.

14 (b) The Board may order a political committee to conduct
15 an audit of its financial records for any of the following
16 reasons: (i) a discrepancy between the ending balance of a
17 reporting period and the beginning balance of the next
18 reporting period, (ii) failure to account for previously
19 reported investments or loans, or (iii) a discrepancy between
20 reporting contributions received by or expenditures made for a
21 political committee that are reported by another political
22 committee, except the Board shall not order an audit pursuant
23 to this item (iii) unless there is a willful pattern of

1 inaccurate reporting or there is a pattern of similar
2 inaccurate reporting involving similar contributions by the
3 same contributor. Prior to ordering an audit, the Board shall
4 afford the political committee due notice and an opportunity
5 for a closed preliminary hearing. A political committee shall
6 hire an entity qualified to perform an audit; except, a
7 political committee shall not hire a person that has
8 contributed to the political committee during the previous 4
9 years.

10 (c) In each calendar year, the Board shall randomly select
11 ~~order~~ no more than 3% of registered political committees to
12 conduct an audit. The Board shall establish a standard,
13 scientific method of selecting the political committees that
14 are to be audited so that every political committee has an
15 equal mathematical chance of being selected. A political
16 committee selected to conduct an audit through the random
17 selection process shall only be required to conduct the audit
18 if it was required to file at least one quarterly report during
19 the period to be covered by the audit and has: (1) a fund
20 balance of \$10,000 or more as of the close of the most recent
21 reporting period; (2) an average closing fund balance of
22 \$10,000 or more on quarterly reports occurring during the
23 2-year period to be covered by the audit; or (3) average total
24 receipts of \$4,000 or more on quarterly reports occurring
25 during the 2-year period to be covered by the audit.
26 Notwithstanding any other provision of this subsection, a

1 political committee owing unpaid fines at the time of its
2 random selection shall be ordered to conduct an audit.

3 (d) Upon receipt of notification from the Board ordering
4 an audit, a political committee shall conduct an audit of the
5 financial records required to be maintained by the committee
6 to ensure compliance with the contribution limitations
7 established in Section 9-8.5 and the reporting requirements
8 established in Section 9-3 and Section 9-10 for a period of 2
9 years from the close of the most recent reporting period or the
10 period since the committee was previously ordered to conduct
11 an audit, whichever is shorter. The entity performing the
12 audit shall review the amount of funds and investments
13 maintained by the political committee and ensure the financial
14 records accurately account for any contributions and
15 expenditures made by the political committee. A certified copy
16 of the audit shall be delivered to the Board within 60 calendar
17 days after receipt of notice from the Board, unless the Board
18 grants an extension to complete the audit. A political
19 committee ordered to conduct an audit through the random
20 selection process shall not be required to conduct another
21 audit for a minimum of 5 years unless the Board has reason to
22 believe the political committee is in violation of Section
23 9-3, 9-8.5, or 9-10.

24 (e) The Board shall not disclose the name of any political
25 committee ordered to conduct an audit or any documents in
26 possession of the Board related to an audit unless, after

1 review of the audit findings, the Board has reason to believe
2 the political committee is in violation of Section 9-3, 9-8.5,
3 or 9-10 and the Board imposed a fine.

4 (f) Failure to deliver a certified audit in a timely
5 manner is a business offense punishable by a fine of \$250 per
6 day that the audit is late, up to a maximum of \$5,000.

7 (Source: P.A. 100-784, eff. 8-10-18.)