



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3551

Introduced 2/22/2021, by Rep. Tim Butler

SYNOPSIS AS INTRODUCED:

10 ILCS 5/9-7
10 ILCS 5/9-13

from Ch. 46, par. 9-7
from Ch. 46, par. 9-13

Amends the Election Code. Beginning on January 1, 2022, requires the treasurer of a political committee to preserve certain records and accounts required by the Code for a period of 7 years (rather than a period of 2 years). Includes in the reasons the State Board of Elections may order a political committee to conduct an audit of its financial records: (1) sworn testimony or sentence entered upon a plea of guilty by a candidate or political committee officer admitting to certain conduct constituting a violation of the Code, (2) conviction of a candidate or political committee officer for a crime relating to misuse of political committee funds or for certain violations of the Code, (3) failure to comply with a Board order requiring certain filings, or (4) filing of a statement of organization by a political committee composed of one or more officers of, or formed for the same purpose as, or for the support of the candidacy of the same person as, a former political committee that was administratively terminated by the Board in the last 24 months. Provides that for certain audits the audit period shall be within the discretion of the Board but may not exceed 7 years from the close of the most recent reporting period. Effective immediately.

LRB102 14542 SMS 19895 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 Sections 9-7 and 9-13 as follows:

6 (10 ILCS 5/9-7) (from Ch. 46, par. 9-7)

7 Sec. 9-7. Records and accounts.

8 (1) Except as provided in subsection (2), the treasurer of
9 a political committee shall keep a detailed and exact account
10 of-

11 (a) the total of all contributions made to or for the
12 committee;

13 (b) the full name and mailing address of every person
14 making a contribution and the date and amount thereof;

15 (c) the total of all expenditures made by or on behalf
16 of the committee;

17 (d) the full name and mailing address of every person
18 to whom any expenditure is made, and the date and amount
19 thereof;

20 (e) proof of payment, stating the particulars, for
21 every expenditure made by or on behalf of the committee.

22 Before January 1, 2022, the treasurer shall preserve all
23 records and accounts required by this Section for a period of 2

1 years. Beginning on January 1, 2022, the treasurer shall
2 preserve all records and accounts required by this Section for
3 a period of 7 years.

4 ~~The treasurer shall preserve all records and accounts required~~
5 ~~by this section for a period of 2 years.~~

6 (2) The treasurer of a political committee shall keep a
7 detailed and exact account of the total amount of
8 contributions made to or for a committee at an event licensed
9 under Section 8.1 of the Raffles and Poker Runs Act. For an
10 event licensed under Section 8.1, the treasurer is not
11 required to keep a detailed and exact account of the full name
12 and mailing address of a person who purchases tickets at the
13 event in an amount that does not exceed \$150.

14 (Source: P.A. 97-766, eff. 7-6-12; 98-644, eff. 6-10-14.)

15 (10 ILCS 5/9-13) (from Ch. 46, par. 9-13)

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

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

23 (b) The Board may order a political committee to conduct
24 an audit of its financial records for any of the following
25 reasons:

1 (i) a discrepancy between the ending balance
2 of a reporting period and the beginning balance of
3 the next reporting period,

4 (ii) failure to account for previously
5 reported investments or loans, ~~or~~

6 (iii) a discrepancy between reporting
7 contributions received by or expenditures made for
8 a political committee that are reported by another
9 political committee, except the Board shall not
10 order an audit pursuant to this item (iii) unless
11 there is a willful pattern of inaccurate reporting
12 or there is a pattern of similar inaccurate
13 reporting involving similar contributions by the
14 same contributor, ~~or~~

15 (iv) sworn testimony or sentence entered upon
16 a plea of guilty by a candidate or political
17 committee officer admitting to conduct
18 constituting a violation of Article 9,

19 (v) conviction of a candidate or political
20 committee officer for a crime relating to misuse
21 of political committee funds or for a violation of
22 Article 9,

23 (vi) failure to comply with a Board order
24 requiring filing or amendment of any report
25 contemplated by Article 9, or

26 (vii) filing of a statement of organization

1 pursuant to Section 9-3 by a political committee
2 composed of one or more officers of, or formed for
3 the same purpose as, or for the support of the
4 candidacy of the same person as, a former
5 political committee that was administratively
6 terminated by the Board in the last 24 months.

7 Prior to ordering an audit, the Board shall afford the
8 political committee due notice and an opportunity for a closed
9 preliminary hearing. A political committee shall hire an
10 entity qualified to perform an audit; except, a political
11 committee shall not hire a person that has contributed to the
12 political committee during the previous 4 years.

13 (c) In each calendar year, the Board shall randomly order
14 no more than 3% of registered political committees to conduct
15 an audit. The Board shall establish a standard, scientific
16 method of selecting the political committees that are to be
17 audited so that every political committee has an equal
18 mathematical chance of being selected.

19 (d) Upon receipt of notification from the Board ordering
20 an audit, a political committee shall conduct an audit of the
21 financial records required to be maintained by the committee
22 to ensure compliance with the contribution limitations
23 established in Section 9-8.5 and the reporting requirements
24 established in Section 9-3 and Section 9-10 for a period of 2
25 years from the close of the most recent reporting period or the
26 period since the committee was previously ordered to conduct

1 an audit, whichever is shorter, except that for committees
2 ordered to conduct an audit under subsection (b), the audit
3 period shall be within the discretion of the Board but may not
4 exceed 7 years from the close of the most recent reporting
5 period. The entity performing the audit shall review the
6 amount of funds and investments maintained by the political
7 committee and ensure the financial records accurately account
8 for any contributions and expenditures made by the political
9 committee. A certified copy of the audit shall be delivered to
10 the Board within 60 calendar days after receipt of notice from
11 the Board, unless the Board grants an extension to complete
12 the audit. A political committee ordered to conduct an audit
13 through the random selection process shall not be required to
14 conduct another audit for a minimum of 5 years unless the Board
15 has reason to believe the political committee is in violation
16 of Section 9-3, 9-8.5, or 9-10.

17 (e) The Board shall not disclose the name of any political
18 committee ordered to conduct an audit or any documents in
19 possession of the Board related to an audit unless, after
20 review of the audit findings, the Board has reason to believe
21 the political committee is in violation of Section 9-3, 9-8.5,
22 or 9-10 and the Board imposed a fine.

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

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

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