

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 Fire Protection District Act is amended by  
5 changing Section 11a as follows:

6 (70 ILCS 705/11a) (from Ch. 127 1/2, par. 31a)

7 Sec. 11a. The Board of Trustees of any fire protection  
8 district organized hereunder may contract with any corporation  
9 organized to furnish fire protection service or with any  
10 association organized to furnish fire protection service or  
11 with any city, village, incorporated town, or organized fire  
12 protection district lying adjacent to such district for fire  
13 protection service to be furnished by such corporation or such  
14 association or such municipality or fire protection district  
15 for the property within such district or to be furnished by  
16 such district for the property within such municipality. The  
17 board of trustees may also contract for the installation,  
18 rental or use of fire hydrants within the fire protection  
19 district and for the furnishing of water to be used within such  
20 district for fire protection purposes, and for mutual aid from  
21 and to other fire protection districts, and for mutual aid from  
22 and to corporations and associations organized to furnish fire  
23 protection service and for mutual aid from and to

1 municipalities.

2 A municipality's fiscal obligations for fire protection  
3 services under a contract with a fire protection district  
4 entered into under this Section shall comply with the Local  
5 Government Prompt Payment Act. If a municipality fails to make  
6 a payment within 90 days, an interest penalty of 1% of any  
7 amount approved and unpaid shall be added for each 90 days or  
8 fraction thereof after the expiration of the 90 day period,  
9 until final payment is made. In the case of an action in court  
10 to collect delinquent fees from a contract for services between  
11 a municipality and a fire protection district, the losing party  
12 shall pay all reasonable legal fees incurred in the proceeding.

13 When the Board of Trustees of a Fire Protection District  
14 purchases fire protection services from an organization  
15 (specifically including without limitation a city, village,  
16 incorporated town, or adjacent fire protection district) that  
17 is required to be audited by "An Act in relation to audits of  
18 the accounts of certain governmental units and to repeal an Act  
19 therein named", approved May 10, 1967, or by The Illinois  
20 Municipal Auditing Law, the scope of the audit of the  
21 organization providing the fire protection services shall be  
22 expanded to require the licensed public accountant performing  
23 the audit to specifically report on compliance with the terms  
24 of the contract as it relates to financial matters, including  
25 but not limited to the amount charged to the purchasing Fire  
26 Protection District. To the extent possible, the financial

1 statements of the providing organization shall segregate  
2 accounts relating to fire protection service transactions and  
3 present them as a separate fund or as a separate department  
4 within a fund. A copy of the providing organization audit  
5 report shall be furnished to the purchasing Fire Protection  
6 District within 6 months after the close of the fiscal year of  
7 the organization providing the fire protection services.

8 When the Board of Trustees of a Fire Protection District  
9 purchases fire protection services from an organization  
10 (specifically including without limitation a not-for-profit  
11 corporation or a for-profit corporation or association) that is  
12 not required to be audited by "An Act in relation to audits of  
13 the accounts of certain governmental units and to repeal an Act  
14 therein named", approved May 10, 1967, or by The Illinois  
15 Municipal Auditing Law, the organization providing the fire  
16 protection services shall employ a person licensed to practice  
17 public accounting under the laws of this State to annually  
18 audit the providing organization's financial statements of all  
19 accounts, funds, and other moneys in the care, custody, or  
20 control of the providing organization. Such audit shall be  
21 conducted in accordance with Generally Accepted Auditing  
22 Standards and the scope of such audit shall be expanded to  
23 require the licensed public accountant performing the audit to  
24 specifically report on compliance with the terms of the  
25 contract as it relates to financial matters, including but not  
26 limited to the amount charged to the purchasing Fire Protection

1 District. To the extent possible, the financial statements of  
2 the providing organization shall segregate accounts relating  
3 to fire protection service transactions and present them as a  
4 separate fund or as a separate department within a fund. A copy  
5 of the providing organization audit report shall be furnished  
6 to the purchasing Fire Protection District within 6 months  
7 after the close of the fiscal year of the organization  
8 providing the fire protection services. Within 15 days after  
9 the first meeting of the board of directors or trustees of the  
10 organization providing the fire protection services that  
11 occurs after receiving the audit report, the organization  
12 providing the fire protection services shall publish excerpts  
13 from the audit report that relate to fire protection service  
14 operations in accordance with Section 7 of this Act. When fire  
15 protection services are rendered in more than one geographic  
16 area, publication or distribution should be made in each  
17 geographic area served.

18 (Source: P.A. 86-216; 86-1023.)

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.