

## MUNICIPAL REPORTING ON CONTRACTS



[Public Act \(P.A.\) 102-0265](#), mandates specified taxing districts, including both home rule and non-home rule municipalities, to make a good faith effort to collect and publish certain demographic information provided by vendors and subcontractors doing business with the taxing district.

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Specifically, all municipalities that have an annual property tax levy of more than \$5 million are required to make a good faith effort to collect information as to whether the vendor or subcontractor is a minority-<sup>1</sup>, women-<sup>2</sup> or veteran-owned<sup>3</sup> business.

### REPORTING REQUIREMENTS

The Act provides that taxing bodies must make a good faith effort to begin collecting and reporting data beginning on January 1, 2022. The collected data must be published electronically, which could include on the municipality's website. The Act does not provide an alternative publication method.

Specifically, taxing districts should make a good faith effort to report:

1. Whether the vendor or subcontractor is a minority-<sup>1</sup>, women-<sup>2</sup> or veteran-owned<sup>3</sup> business as defined in the [Business Enterprise for Minorities, Women and Persons with Disabilities Act \(available via this link\)](#);<sup>4</sup>
2. Whether the vendor or subcontractor holds any certifications for those categories or, if they are self-certifying, whether the vendor or subcontractor qualifies as a small business under [U.S. Small Business Administration \(SBA\) standards \(available via this link\)](#).

### WHAT SHOULD MUNICIPALITIES DO?

Municipalities that have a property tax levy of more than \$5 million must make a good faith effort to do the following:

- Develop a certification process that requires all vendors and subcontractors to disclose whether they hold any certifications as a minority-<sup>1</sup>, women-<sup>2</sup> or veteran-owned<sup>3</sup> business, and whether they are certified as a small business or meet the certification requirements as a small business under SBA standards.
- Track all purchasing by the municipality, including information about any certifications held by vendors and subcontractors.
- Develop a vendor report to include all vendors and subcontractors doing business with the municipality. The report should note whether each vendor and subcontractor is certified as a minority-<sup>1</sup>, women-<sup>2</sup> or veteran-owned<sup>3</sup> business or as an SBA small business.
- Publish the data electronically, which could include on the municipality's website.

If there are any questions or concerns regarding compliance with this new requirement, municipal officials should consult with their retained legal counsel.

<sup>1</sup> [30 ILCS 575/2\(A\)\(3\)](#)

<sup>2</sup> [30 ILCS 575/2\(A\)\(4\)](#)

<sup>3</sup> While not provided in the Business Enterprise for Minority, Women and Persons with Disabilities Act, the Illinois Procurement Code provides the definition of "qualified veteran-owned small business" at [30 ILCS 500/45-57\(e\)](#).

<sup>4</sup> [30 ILCS 575/0.01 et seq.](#)