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SPRINGFIELD

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FILE NO. S-470

**PUBLIC ASSISTANCE:  
GENERAL ASSISTANCE:  
Ownership of Equipment Pur-  
chased in Part with State Funds**

Honorable Edward T. Weaver  
Director  
Department of Public Aid  
222 South College Street  
Springfield, Illinois 62706

Dear Director Weaver:

Your recent letter requests my opinion on the following question:

"One of the recommendations made in a recent audit of the Department of Public Aid records was as follows:

'The Department should ask legal opinion as to the ownership of equipment purchased by general assistance units who receive more than 50% of their monies from State funds.'

"I respectfully call your attention to Articles 6, 7, and 12 of the Illinois Public Aid Code which pertain to general assistance.

"I would appreciate your Opinion as to the ownership of equipment purchased by general assistance units who receive more than 50% of their monies from State funds."

Articles VI and VII of the Public Aid Code (Ill. Rev. Stat. 1971, ch. 23, pars. 6-1 and 7-1 et seq.) concern eligibility for amounts and uses of general assistance and medical assistance only.

The applicable Article XII of the Public Aid Code, in sec. 12-21.8, provides:

"The Supervisor of General Assistance shall receive and pay out moneys raised by taxes or allocated by the State for public aid purposes and shall provide public aid to all persons eligible therefore under Article VI of this Code, and to all persons eligible for aid under Article VII if administration of Article VII is a responsibility of the governmental unit under the provisions of this Code.

"The Supervisor of General Assistance shall keep such records and submit annually and at such other times as their respective county boards, city councils, board of trustees, or board of town auditors may require, reports relating to the administration of such public aid programs as are the responsibility of the local governmental unit under this Code, prepared in such form as may be directed by such agencies.

"On or before the 15th day of each calendar month, Supervisors of General Assistance shall submit to the Illinois Department full itemized reports of all receipts and expenditures

of moneys for public aid and the costs of administration under Articles VI and VII of this Code during the prior calendar month, together with such other reports as the Illinois Department may require. The Illinois Department may audit the books and records dealing with such public aid programs at such times as it deems necessary." Ill. Rev. Stat. 1971, ch. 23, par. 12-21.8

Section 12-21.13 provides:

"To qualify for State funds to supplement local funds for public aid purposes, a local governmental unit shall, except as hereinafter provided, levy within the time that such levy is authorized to be made a tax of an amount which, when added to the unobligated balance available for such purposes at the close of the fiscal year preceding the fiscal year for which the tax is levied will equal .10% of the last known total equalized value of all taxable property in the governmental unit."

\* \* \*

"In determining the amount of the unobligated balance which is to be applied in producing the required levy for receipt of State funds, or which is to be applied in determining whether a tax levy is required, there shall be deducted from the gross unobligated balance of funds available at the close of the preceding fiscal year the total amount of State funds allocated to the governmental unit during that year, and only the remainder shall be considered in determining the amount of the deficiency needed to produce an amount equal to the qualifying levy for the current year\* \* \* \*". Ill. Rev. Stat. 1971, ch. 23, par. 12-21.13

Section 12-21.14 provides:

"The County Board of each county or a duly appointed committee thereof, or any other county agency designated by the County Board, shall prior to the first day of each month submit to the Illinois Department an itemized statement showing estimates of assistance necessary to be furnished in the county under Articles VI and VII of this Code during the ensuing month and the expenses for the administration thereof, and the amounts raised by taxation by all local governmental units therein. If the Illinois Department has reason to believe that the estimates submitted by any county are excessive, it may require appropriate officials of the county to appear before it and substantiate the estimates to the satisfaction of the Department.

"The Illinois Department shall review these estimates and shall determine and allocate to the several counties the amounts necessary to supplement local funds, which amounts shall not exceed amounts arrived at by deducting from the total amount estimated to be necessary in the governmental units one-twelfth of the amount legally available from the taxes levied by the governmental units for public aid purposes and any available unobligated balances.

"If a local governmental unit has not received State funds for public aid purposes for at least 04 consecutive months immediately prior to its request for State funds, the Illinois Department shall not consider as a legally available resource of the governmental unit public aid funds, or the proceeds of public aid taxes and tax anticipation warrants which may have been transferred or expended during such period for other purposes.

"State allocations shall be paid to the County Treasurer for disbursement to local governmental units as certified by the Illinois Department. Where the Director of a County Department of Public Aid serves as the Supervisor of General Assistance of a city, village or incorporated town of more than 500,000 population, the County Treasurer shall establish a special fund in the County Treasury into which moneys allocated by the Illinois Department for public aid purposes in municipality shall be paid and retained for disbursement by such Director. The Treasurer of the city, village or incorporated town shall also pay into the special fund in the County Treasury moneys received from taxes levied for public aid purposes in the municipality and other moneys and funds designated in Section 11-43-2 of the Illinois Municipal Code." Ill. Rev. Stat. 1971, ch. 23, par. 12-21.14

Section 12-21.17 provides:

"If a local governmental unit receives State funds for public aid purposes under Article VI its administration, including the use of local resources, shall be subject to the supervision and the rules and regulations of the Illinois Department. The Department shall also supervise the setting of the local uniform budget standard and its enforcement.

"The administration of public aid by local governmental units under Article VII shall be subject in all instances to the supervision and rules and regulations of the Illinois Department.

"Such units and the officers thereof shall deliver to the Illinois Department for examination and inspection all books,

records, accounts, and other documents which the Department requires." Ill. Rev. Stat. 1971, ch. 23, par. 12-21.17

The pattern of the foregoing sections of the Public Aid Code is clear. A local governmental unit qualifies for the receipt of state funds for general assistance and medical assistance funds from the Department of Public Aid if it levies the tax requisite under sec. 12-21.13, if it complies with the general rules and regulations of the Department and furnishes the expenditure reports of sec. 12-21.8 and the estimate of need requirements of sec. 12-21.14.

The state funds allocated are mingled with the local governmental unit funds after they are distributed to the unit by the county treasurer pursuant to sec. 12-21.14. Under sec. 12-21.8, it is the duty of the supervisor of general assistance to "receive and pay out moneys raised by taxes or allocated by the State for public aid purposes \* \* \*

Nowhere in this overall plan of state grants-in-aid is there provision for, or implication of, any total or proportionate state ownership of equipment purchased for general assistance or medical assistance purposes with combined local and state funds. The only conditions to the receipt of state funds are those already set forth; property ownership is not one of them. Indeed, the administrative

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problems attendant upon purchase, inventory, and sale or obsolescence stagger the imagination.

It is therefore my opinion that the Department of Public Aid, under the Public Aid Code and departmental rules and regulations, does not acquire any rights of ownership to equipment purchased in part by local governmental units receiving any state funds for general assistance or medical assistance purposes.

Very truly yours,

A T T O R N E Y G E N E R A L