

AN ACT concerning counties.

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

Section 5. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Sections 4 and 5 as follows:

(55 ILCS 85/4) (from Ch. 34, par. 7004)

Sec. 4. Establishment of economic development project area; ordinance; joint review board; notice; hearing; changes in economic development plan; annual reporting requirements. Economic development project areas shall be established as follows:

(a) The corporate authorities of Whiteside County may by ordinance propose the establishment of an economic development project area and fix a time and place for a public hearing, and shall submit a certified copy of the ordinance as adopted to the Department.

(a-5) After the effective date of this amendatory Act of the 93rd General Assembly, the corporate authorities of Stephenson County may by ordinance propose the establishment of an economic development project area and fix a time and place for a public hearing, and shall submit a certified copy of the ordinance as adopted to the Department.

(b) Any county which adopts an ordinance which fixes a date, time and place for a public hearing shall convene a joint review board as hereinafter provided. Not less than 45 days prior to the date fixed for the public hearing, the county shall give notice by mailing to the chief executive officer of each affected taxing district having taxable property included in the proposed economic development project area and, if the ordinance is adopted by Stephenson County, the chief executive officer of any municipality within Stephenson County having a

population of more than 20,000 that such chief executive officer or his designee is invited to participate in a joint review board. The designee shall serve at the discretion of the chief executive officer of the taxing district for a term not to exceed 2 years. Such notice shall advise each chief executive officer of the date, time and place of the first meeting of such joint review board, which shall occur not less than 30 days prior to the date of the public hearing. Such notice by mail shall be given by depositing such notice in the United States Postal Service by certified mail.

At or prior to the first meeting of such joint review board the county shall furnish to any member of such joint review board copies of the proposed economic development plan and any related documents which such member shall reasonably request. A majority of the members of such joint review board present at any meeting shall constitute a quorum. Additional meetings may be called by any member of a joint review board upon the giving of notice not less than 72 hours prior to the date of any additional meeting to all members of the joint review board. The joint review board shall review such information and material as its members reasonably deem relevant to the county's proposals to approve economic development plans and economic development projects and to designate economic development project areas. The county shall provide such information and material promptly upon the request of the joint review board and may also provide administrative support and facilities as the joint review board may reasonably require.

Within 30 days of its first meeting, a joint review board shall provide the county with a written report of its review of any proposal to approve an economic development plan and economic development project and to designate an economic development project area. Such written report shall include such information and advisory, nonbinding recommendations as a majority of the members of the joint review board shall deem relevant. Written reports of joint review boards may include information and advisory, nonbinding recommendations provided

by a minority of the members thereof. Any joint review board which does not provide such written report within such 30-day period shall be deemed to have recommended that the county proceed with a proposal to approve an economic development plan and economic development project and to designate an economic development project area.

(c) Notice of the public hearing shall be given by publication and mailing.

(1) Notice by publication shall be given by publication at least twice, the first publication to be not more than 30 nor less than 10 days prior to the hearing in a newspaper of general circulation within the taxing districts having property in the proposed economic development project area. Notice by mailing shall be given by depositing such notice together with a copy of the proposed economic development plan in the United States Postal Service by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed economic development project area. The notice shall be mailed not less than 10 days prior to the dates set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding 3 years as the owners of the property.

(2) The notices issued pursuant to this Section shall include the following:

(A) The time and place of public hearing;

(B) The boundaries of the proposed economic development project area by legal description and by street location where possible;

(C) A notification that all interested persons will be given an opportunity to be heard at the public hearing;

(D) An invitation for any person to submit

alternative proposals or bids for any proposed conveyance, lease, mortgage or other disposition of land within the proposed economic development project area;

(E) A description of the economic development plan or economic development project if a plan or project is a subject matter of the hearing; and

(F) Such other matters as the county may deem appropriate.

(3) Not less than 45 days prior to the date set for hearing, the county shall give notice by mail as provided in this subsection (c) to all taxing districts of which taxable property is included in the economic development project area, and to the Department. In addition to the other requirements under this subsection (c), the notice shall include an invitation to the Department and each taxing district to submit comments to the county concerning the subject matter of the hearing prior to the date of the hearing.

(d) At the public hearing any interested person, the Department or any affected taxing district may file written objections with the county clerk and may be heard orally with respect to any issues embodied in the notice. The county shall hear and determine all alternate proposals or bids for any proposed conveyance, lease, mortgage or other disposition of land and all protests and objections at the hearing, and the hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the adjourned hearing. Public hearings with regard to an economic development plan, economic development project area, or economic development project may be held simultaneously.

(e) At the public hearing, or at any time prior to the adoption by the county of an ordinance approving an economic development plan, the county may make changes in the economic development plan. Changes which (1) alter the exterior

boundaries of the proposed economic development project area, (2) substantially affect the general land uses established in the proposed economic development plan, (3) substantially change the nature of the proposed economic development plan, (4) change the general description of any proposed developer, user or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area shall be made only after review by joint review board, notice and hearing pursuant to the procedures set forth in this Section. Changes which do not (1) alter the exterior boundaries of a proposed economic development project area, (2) substantially affect the general land uses established in the proposed plan, (3) substantially change the nature of the proposed economic development plan, (4) change the general description of any proposed developer, user or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area may be made without further notice or hearing, provided that the county shall give notice of its changes by mail to the Department and to each affected taxing district and by publication in a newspaper or newspapers of general circulation with the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes.

(f) At any time within 90 days of the final adjournment of the public hearing, a county may, by ordinance, approve the economic development plan, establish the economic development project area, and authorize property tax allocation financing for such economic development project area.

Any ordinance adopted by Whiteside County which approves

the economic development plan shall contain findings that the economic development project is reasonably expected to create or retain not less than 500 full-time equivalent jobs, that private investment in an amount not less than \$25,000,000 is reasonably expected to occur in the economic development project area, that the economic development project will encourage the increase of commerce and industry within the State, thereby reducing the evils attendant upon unemployment and increasing opportunities for personal income, and that the economic development project will increase or maintain the property, sales and income tax bases of the county and of the State.

Any ordinance adopted by Stephenson County that approves an economic development plan shall contain findings that (i) the economic development project is reasonably expected to create or retain not less than 500 full-time equivalent jobs; (ii) private investment in an amount not less than \$10,000,000 is reasonably expected to occur in the economic development area; (iii) the economic development project will encourage the increase of commerce and industry within the State, thereby reducing the evils attendant upon unemployment and increasing opportunities for personal income; and (iv) the economic development project will increase or maintain the property, sales, and income tax bases of the county and of the State. Before the economic development project area is established by Stephenson County, the following additional conditions must be included in an intergovernmental agreement approved by both the Stephenson County Board and the corporate authorities of the City of Freeport: (i) the corporate authorities of the City of Freeport must concur by resolution with the findings of Stephenson County; (ii) both the corporate authorities of the City of Freeport and the Stephenson County Board shall approve any and all economic or redevelopment agreements and incentives for any economic development project within the economic development area; (iii) any economic development project that receives funds under this Act, except for any economic

development project specifically excluded from annexation in the provisions of the intergovernmental agreement, shall agree to and must enter into an annexation agreement with the City of Freeport to annex property included in the economic development project area to the City of Freeport at the first point in time that the property becomes contiguous to the City of Freeport; (iv) the local share of all State occupation and use taxes allocable to the City of Freeport and Stephenson County and derived from commercial projects within the economic development project area shall be equally shared by and between the City of Freeport and Stephenson County for the duration of the economic development project; and (v) any development in the economic development project area shall be built in accordance with the building and related codes of both the City of Freeport and Stephenson County and the City of Freeport shall approve all provisions for water and sewer service.

The ordinance shall also state that the economic development project area shall not include parcels to be used for purposes of residential development. Any ordinance adopted which establishes an economic development project area shall contain the boundaries of such area by legal description and, where possible, by street location. Any ordinance adopted which authorizes property tax allocation financing shall provide that the ad valorem taxes, if any, arising from the levies upon taxable real property in such economic development project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 6 of this Act each year after the effective date of the ordinance until economic development project costs and all county obligations financing economic development project costs incurred under this Act have been paid shall be divided as follows:

- (1) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the

economic development project area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of property tax allocation financing.

(2) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the economic development project area over and above the initial equalized assessed value of each property in the economic development project area shall be allocated to and when collected shall be paid to the county treasurer who shall deposit those taxes into a special fund called the special tax allocation fund of the county for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

(g) After a county has by ordinance approved an economic development plan and established an economic development project area, the plan may be amended and the boundaries of the area may be altered only as herein provided. Amendments which (1) alter the exterior boundaries of an economic development project area, (2) substantially affect the general land uses established pursuant to the economic development plan, (3) substantially change the nature of the economic development plan, (4) change the general description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved shall be made only after review by a joint review board, notice and hearing pursuant to the procedures set forth in this Section. Amendments which do not (1) alter the exterior boundaries of an economic development project area, (2) substantially affect the general land uses established in the economic development plan, (3)

substantially change the nature of the economic development plan, (4) change the description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, or (5) change the description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved within the economic development project area may be made without further hearing or notice, provided that the county shall give notice of any amendment by mail to the Department and to each taxing district and by publication in a newspaper or newspapers of general circulation within the affected taxing districts. Such notices by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such amendments.

(h) After the adoption of an ordinance adopting property tax allocation financing for an economic development project area, the county shall annually report to each taxing district having taxable property within such economic development project area (i) any increase or decrease in the equalized assessed value of the real property located within such economic development project area above or below the initial equalized assessed value of such real property, (ii) that portion, if any, of the ad valorem taxes arising from the levies upon taxable real property in such economic development project area by the taxing districts which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the economic development project area over and above the initial equalized value of each property and which has been allocated to the county in the current year, and (iii) such other information as the county may deem relevant.

(i) The county shall give notice by mail as provided in this Section and shall reconvene the joint review board not less than annually for each of the 2 years following its adoption of an ordinance adopting property tax allocation financing for an economic development project area and not less

than once in each 3-year period thereafter. The county shall provide such information, and may provide administrative support and facilities as the joint review board may reasonably require for each of such meetings.

(Source: P.A. 92-791, eff. 8-6-02.)

(55 ILCS 85/5) (from Ch. 34, par. 7005)

Sec. 5. Submission to Department; certification by Department.

(a) The county shall submit certified copies of any ordinances adopted approving a proposed economic development plan, establishing an economic development project area, and authorizing tax increment allocation financing to the Department, together with (1) a map of the economic development project area, (2) a copy of the economic development plan as approved, (3) an analysis, and any supporting documents and statistics, demonstrating (i) that the economic development project is reasonably expected to create or retain not less than 500 full-time equivalent jobs and (ii) that private investment in the amount of not less than \$25,000,000 for all ordinances adopted by Whiteside County and in the amount of not less than \$10,000,000 for any ordinance adopted by Stephenson County is reasonably expected to occur in the economic development project area, (4) an estimate of the economic impact of the economic development plan and the use of property tax allocation financing upon the revenues of the county and the affected taxing districts, (5) a record of all public hearings held in connection with the establishment of the economic development project area, and (6) such other information as the Department by regulation may require.

(b) Upon receipt of an application from a county the Department shall review the application to determine whether the economic development project area qualifies as an economic development project area under this Act. At its discretion, the Department may accept or reject the application or may request such additional information as it deems necessary or advisable

to aid its review. If any such area is found to be qualified to be an economic development project area, the Department shall approve and certify such economic development project area and shall provide written notice of its approval and certification to the county and to the county clerk. In determining whether an economic development project area shall be approved and certified, the Department shall consider (1) whether, without public intervention, the State would suffer substantial economic dislocation, such as relocation of a commercial business or industrial or manufacturing facility to another state, territory or country, or would not otherwise benefit from private investment offering substantial employment opportunities and economic growth, and (2) the impact on the revenues of the county and the affected taxing districts of the use of tax increment allocation financing in connection with the economic development project.

(c) On or before July 1, 2007 ~~2006~~, the Department shall submit to the General Assembly a report detailing the number of economic development project areas it has approved and certified, the number and type of jobs created or retained therein, the aggregate amount of private investment therein, the impact in the revenues of counties and affected taxing districts of the use of property tax allocation financing therein, and such additional information as the Department may determine to be relevant. On July 1, 2008 the authority granted hereunder to counties to establish economic development project areas and to adopt property tax allocation financing in connection therewith and to the Department to approve and certify economic development project areas shall expire unless the General Assembly shall have authorized counties and the Department to continue to exercise the powers granted to them under this Act.

(Source: P.A. 92-791, eff. 8-6-02.)

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