



Rep. Christian L. Mitchell

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LRB100 02935 AWJ 27671 a

1 AMENDMENT TO HOUSE BILL 1227

2 AMENDMENT NO. _____. Amend House Bill 1227 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Sections 5.878 and 6z-102 as follows:

6 (30 ILCS 105/5.878 new)

7 Sec. 5.878. The Illinois Community Stabilization Program
8 Revolving Fund.

9 (30 ILCS 105/6z-102 new)

10 Sec. 6z-102. The Illinois Community Stabilization Program
11 Revolving Fund; creation. The Illinois Community Stabilization
12 Program Revolving Fund is created as a special fund in the
13 State treasury. Moneys in the Fund shall be used by the
14 Illinois Housing Development Authority, subject to
15 appropriation, for the purpose of making zero-interest loans to

1 municipalities that operate home equity programs within their
2 boundaries. Loan funds shall be used for the purpose of
3 operating those programs. The Fund shall consist of any moneys
4 transferred or appropriated into the Fund, as well as all
5 repayments of loans made under the program. All interest earned
6 on moneys in the Fund shall be deposited into the Fund.

7 Section 10. The Illinois Income Tax Act is amended by
8 changing Section 901 as follows:

9 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

10 Sec. 901. Collection authority.

11 (a) In general.

12 The Department shall collect the taxes imposed by this Act.
13 The Department shall collect certified past due child support
14 amounts under Section 2505-650 of the Department of Revenue Law
15 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
16 (e), (f), (g), and (h) of this Section, money collected
17 pursuant to subsections (a) and (b) of Section 201 of this Act
18 shall be paid into the General Revenue Fund in the State
19 treasury; money collected pursuant to subsections (c) and (d)
20 of Section 201 of this Act shall be paid into the Personal
21 Property Tax Replacement Fund, a special fund in the State
22 Treasury; and money collected under Section 2505-650 of the
23 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid
24 into the Child Support Enforcement Trust Fund, a special fund

1 outside the State Treasury, or to the State Disbursement Unit
2 established under Section 10-26 of the Illinois Public Aid
3 Code, as directed by the Department of Healthcare and Family
4 Services.

5 (b) Local Government Distributive Fund.

6 Beginning August 1, 1969, and continuing through June 30,
7 1994, the Treasurer shall transfer each month from the General
8 Revenue Fund to a special fund in the State treasury, to be
9 known as the "Local Government Distributive Fund", an amount
10 equal to 1/12 of the net revenue realized from the tax imposed
11 by subsections (a) and (b) of Section 201 of this Act during
12 the preceding month. Beginning July 1, 1994, and continuing
13 through June 30, 1995, the Treasurer shall transfer each month
14 from the General Revenue Fund to the Local Government
15 Distributive Fund an amount equal to 1/11 of the net revenue
16 realized from the tax imposed by subsections (a) and (b) of
17 Section 201 of this Act during the preceding month. Beginning
18 July 1, 1995 and continuing through January 31, 2011, the
19 Treasurer shall transfer each month from the General Revenue
20 Fund to the Local Government Distributive Fund an amount equal
21 to the net of (i) 1/10 of the net revenue realized from the tax
22 imposed by subsections (a) and (b) of Section 201 of the
23 Illinois Income Tax Act during the preceding month (ii) minus,
24 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
25 and beginning July 1, 2004, zero. Beginning February 1, 2011,
26 and continuing through January 31, 2015, the Treasurer shall

1 transfer each month from the General Revenue Fund to the Local
2 Government Distributive Fund an amount equal to the sum of (i)
3 6% (10% of the ratio of the 3% individual income tax rate prior
4 to 2011 to the 5% individual income tax rate after 2010) of the
5 net revenue realized from the tax imposed by subsections (a)
6 and (b) of Section 201 of this Act upon individuals, trusts,
7 and estates during the preceding month and (ii) 6.86% (10% of
8 the ratio of the 4.8% corporate income tax rate prior to 2011
9 to the 7% corporate income tax rate after 2010) of the net
10 revenue realized from the tax imposed by subsections (a) and
11 (b) of Section 201 of this Act upon corporations during the
12 preceding month. Beginning February 1, 2015 and continuing
13 through January 31, 2025, the Treasurer shall transfer each
14 month from the General Revenue Fund to the Local Government
15 Distributive Fund an amount equal to the sum of (i) 8% (10% of
16 the ratio of the 3% individual income tax rate prior to 2011 to
17 the 3.75% individual income tax rate after 2014) of the net
18 revenue realized from the tax imposed by subsections (a) and
19 (b) of Section 201 of this Act upon individuals, trusts, and
20 estates during the preceding month and (ii) 9.14% (10% of the
21 ratio of the 4.8% corporate income tax rate prior to 2011 to
22 the 5.25% corporate income tax rate after 2014) of the net
23 revenue realized from the tax imposed by subsections (a) and
24 (b) of Section 201 of this Act upon corporations during the
25 preceding month. Beginning February 1, 2025, the Treasurer
26 shall transfer each month from the General Revenue Fund to the

1 Local Government Distributive Fund an amount equal to the sum
2 of (i) 9.23% (10% of the ratio of the 3% individual income tax
3 rate prior to 2011 to the 3.25% individual income tax rate
4 after 2024) of the net revenue realized from the tax imposed by
5 subsections (a) and (b) of Section 201 of this Act upon
6 individuals, trusts, and estates during the preceding month and
7 (ii) 10% of the net revenue realized from the tax imposed by
8 subsections (a) and (b) of Section 201 of this Act upon
9 corporations during the preceding month. A municipality may use
10 up to 2% of the net revenue of their Local Government
11 Distributive Fund portion to fund home equity programs within
12 the municipality's boundaries. Net revenue realized for a month
13 shall be defined as the revenue from the tax imposed by
14 subsections (a) and (b) of Section 201 of this Act which is
15 deposited in the General Revenue Fund, the Education Assistance
16 Fund, the Income Tax Surcharge Local Government Distributive
17 Fund, the Fund for the Advancement of Education, and the
18 Commitment to Human Services Fund during the month minus the
19 amount paid out of the General Revenue Fund in State warrants
20 during that same month as refunds to taxpayers for overpayment
21 of liability under the tax imposed by subsections (a) and (b)
22 of Section 201 of this Act.

23 Beginning on August 26, 2014 (the effective date of Public
24 Act 98-1052), the Comptroller shall perform the transfers
25 required by this subsection (b) no later than 60 days after he
26 or she receives the certification from the Treasurer as

1 provided in Section 1 of the State Revenue Sharing Act.

2 (c) Deposits Into Income Tax Refund Fund.

3 (1) Beginning on January 1, 1989 and thereafter, the
4 Department shall deposit a percentage of the amounts
5 collected pursuant to subsections (a) and (b)(1), (2), and
6 (3), of Section 201 of this Act into a fund in the State
7 treasury known as the Income Tax Refund Fund. The
8 Department shall deposit 6% of such amounts during the
9 period beginning January 1, 1989 and ending on June 30,
10 1989. Beginning with State fiscal year 1990 and for each
11 fiscal year thereafter, the percentage deposited into the
12 Income Tax Refund Fund during a fiscal year shall be the
13 Annual Percentage. For fiscal years 1999 through 2001, the
14 Annual Percentage shall be 7.1%. For fiscal year 2003, the
15 Annual Percentage shall be 8%. For fiscal year 2004, the
16 Annual Percentage shall be 11.7%. Upon the effective date
17 of this amendatory Act of the 93rd General Assembly, the
18 Annual Percentage shall be 10% for fiscal year 2005. For
19 fiscal year 2006, the Annual Percentage shall be 9.75%. For
20 fiscal year 2007, the Annual Percentage shall be 9.75%. For
21 fiscal year 2008, the Annual Percentage shall be 7.75%. For
22 fiscal year 2009, the Annual Percentage shall be 9.75%. For
23 fiscal year 2010, the Annual Percentage shall be 9.75%. For
24 fiscal year 2011, the Annual Percentage shall be 8.75%. For
25 fiscal year 2012, the Annual Percentage shall be 8.75%. For
26 fiscal year 2013, the Annual Percentage shall be 9.75%. For

1 fiscal year 2014, the Annual Percentage shall be 9.5%. For
2 fiscal year 2015, the Annual Percentage shall be 10%. For
3 all other fiscal years, the Annual Percentage shall be
4 calculated as a fraction, the numerator of which shall be
5 the amount of refunds approved for payment by the
6 Department during the preceding fiscal year as a result of
7 overpayment of tax liability under subsections (a) and
8 (b) (1), (2), and (3) of Section 201 of this Act plus the
9 amount of such refunds remaining approved but unpaid at the
10 end of the preceding fiscal year, minus the amounts
11 transferred into the Income Tax Refund Fund from the
12 Tobacco Settlement Recovery Fund, and the denominator of
13 which shall be the amounts which will be collected pursuant
14 to subsections (a) and (b) (1), (2), and (3) of Section 201
15 of this Act during the preceding fiscal year; except that
16 in State fiscal year 2002, the Annual Percentage shall in
17 no event exceed 7.6%. The Director of Revenue shall certify
18 the Annual Percentage to the Comptroller on the last
19 business day of the fiscal year immediately preceding the
20 fiscal year for which it is to be effective.

21 (2) Beginning on January 1, 1989 and thereafter, the
22 Department shall deposit a percentage of the amounts
23 collected pursuant to subsections (a) and (b) (6), (7), and
24 (8), (c) and (d) of Section 201 of this Act into a fund in
25 the State treasury known as the Income Tax Refund Fund. The
26 Department shall deposit 18% of such amounts during the

1 period beginning January 1, 1989 and ending on June 30,
2 1989. Beginning with State fiscal year 1990 and for each
3 fiscal year thereafter, the percentage deposited into the
4 Income Tax Refund Fund during a fiscal year shall be the
5 Annual Percentage. For fiscal years 1999, 2000, and 2001,
6 the Annual Percentage shall be 19%. For fiscal year 2003,
7 the Annual Percentage shall be 27%. For fiscal year 2004,
8 the Annual Percentage shall be 32%. Upon the effective date
9 of this amendatory Act of the 93rd General Assembly, the
10 Annual Percentage shall be 24% for fiscal year 2005. For
11 fiscal year 2006, the Annual Percentage shall be 20%. For
12 fiscal year 2007, the Annual Percentage shall be 17.5%. For
13 fiscal year 2008, the Annual Percentage shall be 15.5%. For
14 fiscal year 2009, the Annual Percentage shall be 17.5%. For
15 fiscal year 2010, the Annual Percentage shall be 17.5%. For
16 fiscal year 2011, the Annual Percentage shall be 17.5%. For
17 fiscal year 2012, the Annual Percentage shall be 17.5%. For
18 fiscal year 2013, the Annual Percentage shall be 14%. For
19 fiscal year 2014, the Annual Percentage shall be 13.4%. For
20 fiscal year 2015, the Annual Percentage shall be 14%. For
21 all other fiscal years, the Annual Percentage shall be
22 calculated as a fraction, the numerator of which shall be
23 the amount of refunds approved for payment by the
24 Department during the preceding fiscal year as a result of
25 overpayment of tax liability under subsections (a) and
26 (b) (6), (7), and (8), (c) and (d) of Section 201 of this

1 Act plus the amount of such refunds remaining approved but
2 unpaid at the end of the preceding fiscal year, and the
3 denominator of which shall be the amounts which will be
4 collected pursuant to subsections (a) and (b) (6), (7), and
5 (8), (c) and (d) of Section 201 of this Act during the
6 preceding fiscal year; except that in State fiscal year
7 2002, the Annual Percentage shall in no event exceed 23%.
8 The Director of Revenue shall certify the Annual Percentage
9 to the Comptroller on the last business day of the fiscal
10 year immediately preceding the fiscal year for which it is
11 to be effective.

12 (3) The Comptroller shall order transferred and the
13 Treasurer shall transfer from the Tobacco Settlement
14 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
15 in January, 2001, (ii) \$35,000,000 in January, 2002, and
16 (iii) \$35,000,000 in January, 2003.

17 (d) Expenditures from Income Tax Refund Fund.

18 (1) Beginning January 1, 1989, money in the Income Tax
19 Refund Fund shall be expended exclusively for the purpose
20 of paying refunds resulting from overpayment of tax
21 liability under Section 201 of this Act, for paying rebates
22 under Section 208.1 in the event that the amounts in the
23 Homeowners' Tax Relief Fund are insufficient for that
24 purpose, and for making transfers pursuant to this
25 subsection (d).

26 (2) The Director shall order payment of refunds

1 resulting from overpayment of tax liability under Section
2 201 of this Act from the Income Tax Refund Fund only to the
3 extent that amounts collected pursuant to Section 201 of
4 this Act and transfers pursuant to this subsection (d) and
5 item (3) of subsection (c) have been deposited and retained
6 in the Fund.

7 (3) As soon as possible after the end of each fiscal
8 year, the Director shall order transferred and the State
9 Treasurer and State Comptroller shall transfer from the
10 Income Tax Refund Fund to the Personal Property Tax
11 Replacement Fund an amount, certified by the Director to
12 the Comptroller, equal to the excess of the amount
13 collected pursuant to subsections (c) and (d) of Section
14 201 of this Act deposited into the Income Tax Refund Fund
15 during the fiscal year over the amount of refunds resulting
16 from overpayment of tax liability under subsections (c) and
17 (d) of Section 201 of this Act paid from the Income Tax
18 Refund Fund during the fiscal year.

19 (4) As soon as possible after the end of each fiscal
20 year, the Director shall order transferred and the State
21 Treasurer and State Comptroller shall transfer from the
22 Personal Property Tax Replacement Fund to the Income Tax
23 Refund Fund an amount, certified by the Director to the
24 Comptroller, equal to the excess of the amount of refunds
25 resulting from overpayment of tax liability under
26 subsections (c) and (d) of Section 201 of this Act paid

1 from the Income Tax Refund Fund during the fiscal year over
2 the amount collected pursuant to subsections (c) and (d) of
3 Section 201 of this Act deposited into the Income Tax
4 Refund Fund during the fiscal year.

5 (4.5) As soon as possible after the end of fiscal year
6 1999 and of each fiscal year thereafter, the Director shall
7 order transferred and the State Treasurer and State
8 Comptroller shall transfer from the Income Tax Refund Fund
9 to the General Revenue Fund any surplus remaining in the
10 Income Tax Refund Fund as of the end of such fiscal year;
11 excluding for fiscal years 2000, 2001, and 2002 amounts
12 attributable to transfers under item (3) of subsection (c)
13 less refunds resulting from the earned income tax credit.

14 (5) This Act shall constitute an irrevocable and
15 continuing appropriation from the Income Tax Refund Fund
16 for the purpose of paying refunds upon the order of the
17 Director in accordance with the provisions of this Section.

18 (e) Deposits into the Education Assistance Fund and the
19 Income Tax Surcharge Local Government Distributive Fund.

20 On July 1, 1991, and thereafter, of the amounts collected
21 pursuant to subsections (a) and (b) of Section 201 of this Act,
22 minus deposits into the Income Tax Refund Fund, the Department
23 shall deposit 7.3% into the Education Assistance Fund in the
24 State Treasury. Beginning July 1, 1991, and continuing through
25 January 31, 1993, of the amounts collected pursuant to
26 subsections (a) and (b) of Section 201 of the Illinois Income

1 Tax Act, minus deposits into the Income Tax Refund Fund, the
2 Department shall deposit 3.0% into the Income Tax Surcharge
3 Local Government Distributive Fund in the State Treasury.
4 Beginning February 1, 1993 and continuing through June 30,
5 1993, of the amounts collected pursuant to subsections (a) and
6 (b) of Section 201 of the Illinois Income Tax Act, minus
7 deposits into the Income Tax Refund Fund, the Department shall
8 deposit 4.4% into the Income Tax Surcharge Local Government
9 Distributive Fund in the State Treasury. Beginning July 1,
10 1993, and continuing through June 30, 1994, of the amounts
11 collected under subsections (a) and (b) of Section 201 of this
12 Act, minus deposits into the Income Tax Refund Fund, the
13 Department shall deposit 1.475% into the Income Tax Surcharge
14 Local Government Distributive Fund in the State Treasury.

15 (f) Deposits into the Fund for the Advancement of
16 Education. Beginning February 1, 2015, the Department shall
17 deposit the following portions of the revenue realized from the
18 tax imposed upon individuals, trusts, and estates by
19 subsections (a) and (b) of Section 201 of this Act during the
20 preceding month, minus deposits into the Income Tax Refund
21 Fund, into the Fund for the Advancement of Education:

22 (1) beginning February 1, 2015, and prior to February
23 1, 2025, 1/30; and

24 (2) beginning February 1, 2025, 1/26.

25 If the rate of tax imposed by subsection (a) and (b) of
26 Section 201 is reduced pursuant to Section 201.5 of this Act,

1 the Department shall not make the deposits required by this
2 subsection (f) on or after the effective date of the reduction.

3 (g) Deposits into the Commitment to Human Services Fund.
4 Beginning February 1, 2015, the Department shall deposit the
5 following portions of the revenue realized from the tax imposed
6 upon individuals, trusts, and estates by subsections (a) and
7 (b) of Section 201 of this Act during the preceding month,
8 minus deposits into the Income Tax Refund Fund, into the
9 Commitment to Human Services Fund:

10 (1) beginning February 1, 2015, and prior to February
11 1, 2025, 1/30; and

12 (2) beginning February 1, 2025, 1/26.

13 If the rate of tax imposed by subsection (a) and (b) of
14 Section 201 is reduced pursuant to Section 201.5 of this Act,
15 the Department shall not make the deposits required by this
16 subsection (g) on or after the effective date of the reduction.

17 (h) Deposits into the Tax Compliance and Administration
18 Fund. Beginning on the first day of the first calendar month to
19 occur on or after August 26, 2014 (the effective date of Public
20 Act 98-1098), each month the Department shall pay into the Tax
21 Compliance and Administration Fund, to be used, subject to
22 appropriation, to fund additional auditors and compliance
23 personnel at the Department, an amount equal to 1/12 of 5% of
24 the cash receipts collected during the preceding fiscal year by
25 the Audit Bureau of the Department from the tax imposed by
26 subsections (a), (b), (c), and (d) of Section 201 of this Act,

1 net of deposits into the Income Tax Refund Fund made from those
2 cash receipts.

3 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;
4 98-1052, eff. 8-26-14; 98-1098, eff. 8-26-14; 99-78, eff.
5 7-20-15.)

6 Section 15. The Illinois Municipal Code is amended by
7 changing Sections 8-11-1.1, 8-11-1.3, 8-11-1.4, and 8-11-1.5
8 as follows:

9 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

10 Sec. 8-11-1.1. Non-home rule municipalities; imposition of
11 taxes.

12 (a) The corporate authorities of a non-home rule
13 municipality may, upon approval of the electors of the
14 municipality pursuant to subsection (b) of this Section, impose
15 by ordinance or resolution the tax authorized in Sections
16 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

17 (b) The corporate authorities of the municipality may by
18 ordinance or resolution call for the submission to the electors
19 of the municipality the question of whether the municipality
20 shall impose such tax. Such question shall be certified by the
21 municipal clerk to the election authority in accordance with
22 Section 28-5 of the Election Code and shall be in a form in
23 accordance with Section 16-7 of the Election Code.

24 Notwithstanding any provision of law to the contrary, if

1 the proceeds of the tax may be used for municipal operations
2 pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the
3 election authority must submit the question in substantially
4 the following form:

5 Shall the corporate authorities of the municipality be
6 authorized to levy a tax at a rate of (rate)% for
7 expenditures on municipal operations, expenditures on
8 public infrastructure, or property tax relief?

9 If a majority of the electors in the municipality voting
10 upon the question vote in the affirmative, such tax shall be
11 imposed.

12 Until January 1, 1992, an ordinance or resolution imposing
13 the tax of not more than 1% hereunder or discontinuing the same
14 shall be adopted and a certified copy thereof, together with a
15 certification that the ordinance or resolution received
16 referendum approval in the case of the imposition of such tax,
17 filed with the Department of Revenue, on or before the first
18 day of June, whereupon the Department shall proceed to
19 administer and enforce the additional tax or to discontinue the
20 tax, as the case may be, as of the first day of September next
21 following such adoption and filing.

22 Beginning January 1, 1992 and through December 31, 1992, an
23 ordinance or resolution imposing or discontinuing the tax
24 hereunder shall be adopted and a certified copy thereof filed
25 with the Department on or before the first day of July,
26 whereupon the Department shall proceed to administer and

1 enforce this Section as of the first day of October next
2 following such adoption and filing.

3 Beginning January 1, 1993, and through September 30, 2002,
4 an ordinance or resolution imposing or discontinuing the tax
5 hereunder shall be adopted and a certified copy thereof filed
6 with the Department on or before the first day of October,
7 whereupon the Department shall proceed to administer and
8 enforce this Section as of the first day of January next
9 following such adoption and filing.

10 Beginning October 1, 2002, and through December 31, 2013,
11 an ordinance or resolution imposing or discontinuing the tax
12 under this Section or effecting a change in the rate of tax
13 must either (i) be adopted and a certified copy of the
14 ordinance or resolution filed with the Department on or before
15 the first day of April, whereupon the Department shall proceed
16 to administer and enforce this Section as of the first day of
17 July next following the adoption and filing; or (ii) be adopted
18 and a certified copy of the ordinance or resolution filed with
19 the Department on or before the first day of October, whereupon
20 the Department shall proceed to administer and enforce this
21 Section as of the first day of January next following the
22 adoption and filing.

23 Beginning January 1, 2014, if an ordinance or resolution
24 imposing the tax under this Section, discontinuing the tax
25 under this Section, or effecting a change in the rate of tax
26 under this Section is adopted, a certified copy thereof,

1 together with a certification that the ordinance or resolution
2 received referendum approval in the case of the imposition of
3 or increase in the rate of such tax, shall be filed with the
4 Department of Revenue, either (i) on or before the first day of
5 May, whereupon the Department shall proceed to administer and
6 enforce this Section as of the first day of July next following
7 the adoption and filing; or (ii) on or before the first day of
8 October, whereupon the Department shall proceed to administer
9 and enforce this Section as of the first day of January next
10 following the adoption and filing.

11 Notwithstanding any provision in this Section to the
12 contrary, if, in a non-home rule municipality with more than
13 150,000 but fewer than 200,000 inhabitants, as determined by
14 the last preceding federal decennial census, an ordinance or
15 resolution under this Section imposes or discontinues a tax or
16 changes the tax rate as of July 1, 2007, then that ordinance or
17 resolution, together with a certification that the ordinance or
18 resolution received referendum approval in the case of the
19 imposition of the tax, must be adopted and a certified copy of
20 that ordinance or resolution must be filed with the Department
21 on or before May 15, 2007, whereupon the Department shall
22 proceed to administer and enforce this Section as of July 1,
23 2007.

24 Notwithstanding any provision in this Section to the
25 contrary, if, in a non-home rule municipality with more than
26 6,500 but fewer than 7,000 inhabitants, as determined by the

1 last preceding federal decennial census, an ordinance or
2 resolution under this Section imposes or discontinues a tax or
3 changes the tax rate on or before May 20, 2009, then that
4 ordinance or resolution, together with a certification that the
5 ordinance or resolution received referendum approval in the
6 case of the imposition of the tax, must be adopted and a
7 certified copy of that ordinance or resolution must be filed
8 with the Department on or before May 20, 2009, whereupon the
9 Department shall proceed to administer and enforce this Section
10 as of July 1, 2009.

11 A non-home rule municipality may file a certified copy of
12 an ordinance or resolution, with a certification that the
13 ordinance or resolution received referendum approval in the
14 case of the imposition of the tax, with the Department of
15 Revenue, as required under this Section, only after October 2,
16 2000.

17 The tax authorized by this Section may not be more than 2%
18 ~~1%~~ and may be imposed only in 1/4% increments. No more than
19 0.15% of the proceeds of the tax authorized by this Section may
20 be used for home equity programs within the municipality.

21 (Source: P.A. 98-584, eff. 8-27-13.)

22 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

23 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
24 Occupation Tax Act. The corporate authorities of a non-home
25 rule municipality may impose a tax upon all persons engaged in

1 the business of selling tangible personal property, other than
2 on an item of tangible personal property which is titled and
3 registered by an agency of this State's Government, at retail
4 in the municipality for expenditure on public infrastructure or
5 for property tax relief or both as defined in Section 8-11-1.2
6 if approved by referendum as provided in Section 8-11-1.1, of
7 the gross receipts from such sales made in the course of such
8 business. If the tax is approved by referendum on or after July
9 14, 2010 (the effective date of Public Act 96-1057), the
10 corporate authorities of a non-home rule municipality may,
11 until December 31, 2020, use the proceeds of the tax for
12 expenditure on municipal operations, in addition to or in lieu
13 of any expenditure on public infrastructure or for property tax
14 relief. The tax imposed may not be more than 2% ~~1%~~ and may be
15 imposed only in 1/4% increments. No more than 0.15% of the
16 proceeds of the tax authorized by this Section may be used for
17 home equity programs within the municipality. The tax may not
18 be imposed on the sale of food for human consumption that is to
19 be consumed off the premises where it is sold (other than
20 alcoholic beverages, soft drinks, and food that has been
21 prepared for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances, and
23 insulin, urine testing materials, syringes, and needles used by
24 diabetics. The tax imposed by a municipality pursuant to this
25 Section and all civil penalties that may be assessed as an
26 incident thereof shall be collected and enforced by the State

1 Department of Revenue. The certificate of registration which is
2 issued by the Department to a retailer under the Retailers'
3 Occupation Tax Act shall permit such retailer to engage in a
4 business which is taxable under any ordinance or resolution
5 enacted pursuant to this Section without registering
6 separately with the Department under such ordinance or
7 resolution or under this Section. The Department shall have
8 full power to administer and enforce this Section; to collect
9 all taxes and penalties due hereunder; to dispose of taxes and
10 penalties so collected in the manner hereinafter provided, and
11 to determine all rights to credit memoranda, arising on account
12 of the erroneous payment of tax or penalty hereunder. In the
13 administration of, and compliance with, this Section, the
14 Department and persons who are subject to this Section shall
15 have the same rights, remedies, privileges, immunities, powers
16 and duties, and be subject to the same conditions,
17 restrictions, limitations, penalties and definitions of terms,
18 and employ the same modes of procedure, as are prescribed in
19 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
20 respect to all provisions therein other than the State rate of
21 tax), 2c, 3 (except as to the disposition of taxes and
22 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
23 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
24 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
25 Penalty and Interest Act as fully as if those provisions were
26 set forth herein.

1 No municipality may impose a tax under this Section unless
2 the municipality also imposes a tax at the same rate under
3 Section 8-11-1.4 of this Code.

4 Persons subject to any tax imposed pursuant to the
5 authority granted in this Section may reimburse themselves for
6 their seller's tax liability hereunder by separately stating
7 such tax as an additional charge, which charge may be stated in
8 combination, in a single amount, with State tax which sellers
9 are required to collect under the Use Tax Act, pursuant to such
10 bracket schedules as the Department may prescribe.

11 Whenever the Department determines that a refund should be
12 made under this Section to a claimant instead of issuing a
13 credit memorandum, the Department shall notify the State
14 Comptroller, who shall cause the order to be drawn for the
15 amount specified, and to the person named, in such notification
16 from the Department. Such refund shall be paid by the State
17 Treasurer out of the non-home rule municipal retailers'
18 occupation tax fund.

19 The Department shall forthwith pay over to the State
20 Treasurer, ex officio, as trustee, all taxes and penalties
21 collected hereunder.

22 As soon as possible after the first day of each month,
23 beginning January 1, 2011, upon certification of the Department
24 of Revenue, the Comptroller shall order transferred, and the
25 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
26 local sales tax increment, as defined in the Innovation

1 Development and Economy Act, collected under this Section
2 during the second preceding calendar month for sales within a
3 STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,
5 on or before the 25th day of each calendar month, the
6 Department shall prepare and certify to the Comptroller the
7 disbursement of stated sums of money to named municipalities,
8 the municipalities to be those from which retailers have paid
9 taxes or penalties hereunder to the Department during the
10 second preceding calendar month. The amount to be paid to each
11 municipality shall be the amount (not including credit
12 memoranda) collected hereunder during the second preceding
13 calendar month by the Department plus an amount the Department
14 determines is necessary to offset any amounts which were
15 erroneously paid to a different taxing body, and not including
16 an amount equal to the amount of refunds made during the second
17 preceding calendar month by the Department on behalf of such
18 municipality, and not including any amount which the Department
19 determines is necessary to offset any amounts which were
20 payable to a different taxing body but were erroneously paid to
21 the municipality, and not including any amounts that are
22 transferred to the STAR Bonds Revenue Fund. Within 10 days
23 after receipt, by the Comptroller, of the disbursement
24 certification to the municipalities, provided for in this
25 Section to be given to the Comptroller by the Department, the
26 Comptroller shall cause the orders to be drawn for the

1 respective amounts in accordance with the directions contained
2 in such certification.

3 For the purpose of determining the local governmental unit
4 whose tax is applicable, a retail sale, by a producer of coal
5 or other mineral mined in Illinois, is a sale at retail at the
6 place where the coal or other mineral mined in Illinois is
7 extracted from the earth. This paragraph does not apply to coal
8 or other mineral when it is delivered or shipped by the seller
9 to the purchaser at a point outside Illinois so that the sale
10 is exempt under the Federal Constitution as a sale in
11 interstate or foreign commerce.

12 Nothing in this Section shall be construed to authorize a
13 municipality to impose a tax upon the privilege of engaging in
14 any business which under the constitution of the United States
15 may not be made the subject of taxation by this State.

16 When certifying the amount of a monthly disbursement to a
17 municipality under this Section, the Department shall increase
18 or decrease such amount by an amount necessary to offset any
19 misallocation of previous disbursements. The offset amount
20 shall be the amount erroneously disbursed within the previous 6
21 months from the time a misallocation is discovered.

22 The Department of Revenue shall implement this amendatory
23 Act of the 91st General Assembly so as to collect the tax on
24 and after January 1, 2002.

25 As used in this Section, "municipal" and "municipality"
26 means a city, village or incorporated town, including an

1 incorporated town which has superseded a civil township.

2 This Section shall be known and may be cited as the
3 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

4 (Source: P.A. 99-217, eff. 7-31-15.)

5 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

6 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
7 Tax Act. The corporate authorities of a non-home rule
8 municipality may impose a tax upon all persons engaged, in such
9 municipality, in the business of making sales of service for
10 expenditure on public infrastructure or for property tax relief
11 or both as defined in Section 8-11-1.2 if approved by
12 referendum as provided in Section 8-11-1.1, of the selling
13 price of all tangible personal property transferred by such
14 servicemen either in the form of tangible personal property or
15 in the form of real estate as an incident to a sale of service.
16 If the tax is approved by referendum on or after July 14, 2010
17 (the effective date of Public Act 96-1057), the corporate
18 authorities of a non-home rule municipality may, until December
19 31, 2020, use the proceeds of the tax for expenditure on
20 municipal operations, in addition to or in lieu of any
21 expenditure on public infrastructure or for property tax
22 relief. The tax imposed may not be more than 2% ~~1%~~ and may be
23 imposed only in 1/4% increments. No more than 0.15% of the
24 proceeds of the tax authorized by this Section may be used for
25 home equity programs within the municipality. The tax may not

1 be imposed on the sale of food for human consumption that is to
2 be consumed off the premises where it is sold (other than
3 alcoholic beverages, soft drinks, and food that has been
4 prepared for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances, and
6 insulin, urine testing materials, syringes, and needles used by
7 diabetics. The tax imposed by a municipality pursuant to this
8 Section and all civil penalties that may be assessed as an
9 incident thereof shall be collected and enforced by the State
10 Department of Revenue. The certificate of registration which is
11 issued by the Department to a retailer under the Retailers'
12 Occupation Tax Act or under the Service Occupation Tax Act
13 shall permit such registrant to engage in a business which is
14 taxable under any ordinance or resolution enacted pursuant to
15 this Section without registering separately with the
16 Department under such ordinance or resolution or under this
17 Section. The Department shall have full power to administer and
18 enforce this Section; to collect all taxes and penalties due
19 hereunder; to dispose of taxes and penalties so collected in
20 the manner hereinafter provided, and to determine all rights to
21 credit memoranda arising on account of the erroneous payment of
22 tax or penalty hereunder. In the administration of, and
23 compliance with, this Section the Department and persons who
24 are subject to this Section shall have the same rights,
25 remedies, privileges, immunities, powers and duties, and be
26 subject to the same conditions, restrictions, limitations,

1 penalties and definitions of terms, and employ the same modes
2 of procedure, as are prescribed in Sections 1a-1, 2, 2a, 3
3 through 3-50 (in respect to all provisions therein other than
4 the State rate of tax), 4 (except that the reference to the
5 State shall be to the taxing municipality), 5, 7, 8 (except
6 that the jurisdiction to which the tax shall be a debt to the
7 extent indicated in that Section 8 shall be the taxing
8 municipality), 9 (except as to the disposition of taxes and
9 penalties collected, and except that the returned merchandise
10 credit for this municipal tax may not be taken against any
11 State tax), 10, 11, 12 (except the reference therein to Section
12 2b of the Retailers' Occupation Tax Act), 13 (except that any
13 reference to the State shall mean the taxing municipality), the
14 first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
15 Service Occupation Tax Act and Section 3-7 of the Uniform
16 Penalty and Interest Act, as fully as if those provisions were
17 set forth herein.

18 No municipality may impose a tax under this Section unless
19 the municipality also imposes a tax at the same rate under
20 Section 8-11-1.3 of this Code.

21 Persons subject to any tax imposed pursuant to the
22 authority granted in this Section may reimburse themselves for
23 their serviceman's tax liability hereunder by separately
24 stating such tax as an additional charge, which charge may be
25 stated in combination, in a single amount, with State tax which
26 servicemen are authorized to collect under the Service Use Tax

1 Act, pursuant to such bracket schedules as the Department may
2 prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing credit
5 memorandum, the Department shall notify the State Comptroller,
6 who shall cause the order to be drawn for the amount specified,
7 and to the person named, in such notification from the
8 Department. Such refund shall be paid by the State Treasurer
9 out of the municipal retailers' occupation tax fund.

10 The Department shall forthwith pay over to the State
11 Treasurer, ex officio, as trustee, all taxes and penalties
12 collected hereunder.

13 As soon as possible after the first day of each month,
14 beginning January 1, 2011, upon certification of the Department
15 of Revenue, the Comptroller shall order transferred, and the
16 Treasurer shall transfer, to the STAR Bonds Revenue Fund the
17 local sales tax increment, as defined in the Innovation
18 Development and Economy Act, collected under this Section
19 during the second preceding calendar month for sales within a
20 STAR bond district.

21 After the monthly transfer to the STAR Bonds Revenue Fund,
22 on or before the 25th day of each calendar month, the
23 Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to named municipalities,
25 the municipalities to be those from which suppliers and
26 servicemen have paid taxes or penalties hereunder to the

1 Department during the second preceding calendar month. The
2 amount to be paid to each municipality shall be the amount (not
3 including credit memoranda) collected hereunder during the
4 second preceding calendar month by the Department, and not
5 including an amount equal to the amount of refunds made during
6 the second preceding calendar month by the Department on behalf
7 of such municipality, and not including any amounts that are
8 transferred to the STAR Bonds Revenue Fund. Within 10 days
9 after receipt, by the Comptroller, of the disbursement
10 certification to the municipalities and the General Revenue
11 Fund, provided for in this Section to be given to the
12 Comptroller by the Department, the Comptroller shall cause the
13 orders to be drawn for the respective amounts in accordance
14 with the directions contained in such certification.

15 The Department of Revenue shall implement this amendatory
16 Act of the 91st General Assembly so as to collect the tax on
17 and after January 1, 2002.

18 Nothing in this Section shall be construed to authorize a
19 municipality to impose a tax upon the privilege of engaging in
20 any business which under the constitution of the United States
21 may not be made the subject of taxation by this State.

22 As used in this Section, "municipal" or "municipality"
23 means or refers to a city, village or incorporated town,
24 including an incorporated town which has superseded a civil
25 township.

26 This Section shall be known and may be cited as the

1 "Non-Home Rule Municipal Service Occupation Tax Act".

2 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;
3 97-333, eff. 8-12-11; 97-837, eff. 7-20-12.)

4 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

5 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The
6 corporate authorities of a non-home rule municipality may
7 impose a tax upon the privilege of using, in such municipality,
8 any item of tangible personal property which is purchased at
9 retail from a retailer, and which is titled or registered with
10 an agency of this State's government, based on the selling
11 price of such tangible personal property, as "selling price" is
12 defined in the Use Tax Act, for expenditure on public
13 infrastructure or for property tax relief or both as defined in
14 Section 8-11-1.2, if approved by referendum as provided in
15 Section 8-11-1.1. If the tax is approved by referendum on or
16 after the effective date of this amendatory Act of the 96th
17 General Assembly, the corporate authorities of a non-home rule
18 municipality may, until December 31, 2020, use the proceeds of
19 the tax for expenditure on municipal operations, in addition to
20 or in lieu of any expenditure on public infrastructure or for
21 property tax relief. The tax imposed may not be more than 2% ~~1%~~
22 and may be imposed only in 1/4% increments. No more than 0.15%
23 of the proceeds of the tax authorized by this Section may be
24 used for home equity programs within the municipality. Such tax
25 shall be collected from persons whose Illinois address for

1 title or registration purposes is given as being in such
2 municipality. Such tax shall be collected by the municipality
3 imposing such tax. A non-home rule municipality may not impose
4 and collect the tax prior to January 1, 2002.

5 This Section shall be known and may be cited as the
6 "Non-Home Rule Municipal Use Tax Act".

7 (Source: P.A. 96-1057, eff. 7-14-10; 97-837, eff. 7-20-12.)

8 Section 20. The Home Equity Assurance Act is amended by
9 changing Sections 2, 3, 4, 4.2, and 11 as follows:

10 (65 ILCS 95/2) (from Ch. 24, par. 1602)

11 Sec. 2. Purpose. The purpose of a Home Equity Program and
12 commission created under the provisions of this Act by the
13 voters of a territory within a municipality with a population
14 of more than 1,000,000 or an eligible municipality shall be to
15 guarantee that the value of the property of each member of the
16 program shall not fall below its fair market value established
17 at the time the member registers in a program, provided that
18 the member remains in the program for at least 5 years, keeps
19 the property well maintained, continuously occupies the
20 property as his or her principal residence, or a family member
21 continuously occupies the property as a principal residence,
22 and adheres to the guidelines of a program. By providing such a
23 guarantee, a program is intended to provide relief only from
24 specifically local adverse housing market conditions within

1 the territory of the program as they may differ from
2 municipal-wide, regional, or national housing conditions. A
3 program is not intended to provide relief from physical perils
4 such as natural disasters or acts of God or from depreciation
5 due to failure to maintain a residence. Furthermore, a program
6 is not intended to provide, serve as, or replace homeowner's
7 insurance or other conventional forms of insurance.

8 (Source: P.A. 85-1044.)

9 (65 ILCS 95/3) (from Ch. 24, par. 1603)

10 Sec. 3. Definitions. For the purposes of this Act:

11 (a) "Bona fide offer" means an offer made in good faith and
12 for a valuable consideration to purchase a qualified residence
13 at a price that in the opinion of the governing commission is
14 reasonable given current market conditions.

15 (b) "Certificate of participation" means the duly
16 notarized document of membership in a program, signed by the
17 qualified applicant and by an authorized representative of the
18 governing commission, which specifies the location and
19 description of the guaranteed residence, its guaranteed value,
20 the registration date, and which has attached a program
21 appraisal for the guaranteed residence.

22 (c) "Community organization" means a not-for-profit
23 organization which has been registered with this State for at
24 least 5 years as a not-for-profit organization, which qualifies
25 for tax exempt status under Section 501 (c) (3) or 501 (c) (4)

1 of the United States Internal Revenue Code of 1986, as now or
2 hereafter amended, which continuously maintains an office or
3 business location within the territory of a program together
4 with a current listed telephone number, and whose members
5 reside within the territory of a program.

6 (d) "Eligible applicant" means a natural person who is the
7 owner of a qualified residence within the territory of a
8 program who continuously occupies or has a family member who
9 occupies such qualified residence as the principal place of
10 residence.

11 (d-5) "Eligible municipality" means a municipality with
12 1,000,000 or fewer inhabitants that has (i) an annual average
13 unemployment rate of at least 120% of the State's annual
14 average unemployment rate for the most recent calendar year or
15 the most recent fiscal year as reported by the Department of
16 Employment Security, (ii) a poverty rate of at least 20%
17 according to the latest federal decennial census, or (iii) a
18 census tract crime rate higher than the State average.

19 (e) "Family member" means a spouse, child, stepchild,
20 parent, grandparent, brother, sister, or any such relations of
21 the spouse of the member.

22 (f) "Governing commission" means the 9 member (or 18 member
23 in the case of a merged program) governing body which is
24 authorized by voter approval of the creation of a home equity
25 program (or merger of programs) as provided in this Act and
26 which is appointed by the mayor of the municipality in which

1 the program has been approved with the approval of the city
2 council, 7 (or 14 in the case of a merged program) of whom
3 shall be appointed from a list or lists of nominees submitted
4 by a community organization or community organizations as
5 defined in this Act.

6 (g) "Gross selling value" means the total consideration to
7 be paid for the purchase of a guaranteed residence, and shall
8 include any amount that the buyer or prospective buyer agrees
9 to assume on behalf of a member, including broker commissions,
10 points, legal fees, personal financing, or other items of value
11 involved in the sale.

12 (h) "Guarantee fund" means the funds collected under the
13 provisions of this Act for the purpose of guaranteeing the
14 property values of members within the territory of a program.

15 (i) "Guaranteed residence" means a qualified residence for
16 which a certificate of participation has been issued, which is
17 occupied continuously as the place of legal residence by the
18 member or a family member, which is described in the
19 certificate of participation, and which is entitled to coverage
20 under this Act.

21 (j) "Guaranteed value" means the appraised valuation based
22 upon a standard of current fair market value as of the
23 registration date on the qualified residence as determined by a
24 program appraiser pursuant to accepted professional appraisal
25 standards and which is authorized by the commission for the
26 registration date. The guaranteed value shall be used solely by

1 the commission for the purpose of administering the program and
2 shall remain confidential.

3 (k) "Member" means the owner of a guaranteed residence.

4 (l) "Owner" means a natural person who is the legal
5 titleholder or who is the beneficiary of a trust which is the
6 legal titleholder.

7 (m) "Physical perils" means physical occurrences such as,
8 but not limited to, fire, windstorm, hail, nuclear explosion or
9 seepage, war, insurrection, wear and tear, cracking, settling,
10 vermin, rodents, insects, vandalism, pollution or
11 contamination, and all such related occurrences or acts of God.

12 (n) "Program" means the guaranteed home equity program
13 governed by a specific home equity commission.

14 (o) "Program appraisal" means a real estate appraisal
15 conducted by a program appraiser for the purpose of
16 establishing the guaranteed value of a qualified residence
17 under a program and providing a general description of the
18 qualified residence. The program appraisal shall be used solely
19 by the governing commission for the purpose of administering
20 the program and shall remain confidential.

21 (p) "Program appraiser" means a real estate appraiser who
22 meets the professional standards established by the American
23 Institute of Real Estate Appraisers (AIREA), the National
24 Association of Independent Fee Appraisers (NAIFA), the
25 National Society of Real Estate Appraisers (NSREA) or the
26 American Society of Appraisers (ASA) and whose name is

1 submitted to the governing commission by the appraiser to
2 conduct program appraisals under the provisions of a program.

3 (q) "Program guidelines" means those policies, rules,
4 regulations, and bylaws established from time to time by the
5 governing commission to explain, clarify, or modify the program
6 in order to fulfill its goals and objectives.

7 (r) "Qualified residence" means a building: (1) located in
8 the territory of a program having at least one, but not more
9 than 6, dwelling units; (2) classified by county ordinance as
10 residential and assessed for property tax purposes; and (3)
11 with at least one dwelling unit continuously occupied as the
12 principal legal residence of a member or family member.

13 (s) "Registration date" means the date of receipt by the
14 governing commission of the registration fee and a completed
15 application of a qualified applicant for participation in a
16 program.

17 (t) "Registration fee" means the fee which is established
18 by the governing commission to defray the cost of a program
19 appraisal on a qualified residence.

20 (Source: P.A. 95-1047, eff. 4-6-09.)

21 (65 ILCS 95/4) (from Ch. 24, par. 1604)

22 Sec. 4. Creation of Commission.

23 (a) Whenever in a municipality with more than 1,000,000
24 inhabitants or an eligible municipality, the question of
25 creating a home equity program within a contiguous territory

1 included entirely within the municipality is initiated by
2 resolution or ordinance of the corporate authorities of the
3 municipality or by a petition signed by not less than 10% of
4 the total number of registered voters of each precinct in the
5 territory, the registered voters of which are eligible to sign
6 the petition, it shall be the duty of the election authority
7 having jurisdiction over such municipality to submit the
8 question of creating a home equity program to the electors of
9 each precinct within the territory at the regular election
10 specified in the resolution, ordinance or petition initiating
11 the question. If the question is initiated by petition and if
12 the requisite number of signatures is not obtained in any
13 precinct included within the territory described in the
14 petition, then the petition shall be valid as to the territory
15 encompassed by those precincts for which the requisite number
16 of signatures is obtained and any such precinct for which the
17 requisite number of signatures is not obtained shall be
18 excluded from the territory. A petition initiating a question
19 described in this Section shall be filed with the election
20 authority having jurisdiction over the municipality. The
21 petition shall be filed and objections thereto shall be made in
22 the manner provided in the general election law. A resolution,
23 ordinance, or petition initiating a question described in this
24 Section shall specify the election at which the question is to
25 be submitted. The referendum on such question shall be held in
26 accordance with general election law. Such question, and the

1 resolution, ordinance, or petition initiating the question,
2 shall include a description of the territory, the name of the
3 proposed home equity program, and the maximum rate at which the
4 home equity program shall be able to levy a property tax. All
5 of that area within the geographic boundaries of the territory
6 described in such question shall be included in the program,
7 and no area outside the geographic boundaries of the territory
8 described in such question shall be included in the program. If
9 the election authority determines that the description cannot
10 be included within the space limitations of the ballot, the
11 election authority shall prepare large printed copies of a
12 notice of the question, which shall be prominently displayed in
13 the polling place of each precinct in which the question is to
14 be submitted.

15 Notwithstanding any other provision of law, on and after
16 the effective date of this amendatory Act of the 100th General
17 Assembly, a home equity program may also be created in an
18 eligible municipality.

19 Nothing in this amendatory Act of the 100th General
20 Assembly shall impair a home equity program under this Act in
21 existence on the effective date of this amendatory Act of the
22 100th General Assembly.

23 (b) Whenever a majority of the voters on such public
24 question approve the creation of a home equity program as
25 certified by the proper election authorities, the mayor of the
26 municipality shall appoint, with the consent of the corporate

1 authorities, 9 individuals, to be known as commissioners, to
2 serve as the governing body of the home equity program. The
3 mayor shall choose 7 of the 9 individuals to be appointed to
4 the governing commission from nominees submitted by a community
5 organization or community organizations as defined in this Act.
6 A community organization may recommend up to 20 individuals to
7 serve on a governing commission.

8 No fewer than 5 commissioners serving at any one time shall
9 reside within the territory of the program.

10 Upon creation of a governing commission, the terms of the
11 initial commissioners shall be as follows: 3 shall serve for
12 one year, 3 shall serve for 2 years, and 3 shall serve for 3
13 years and until a successor is appointed and qualified. All
14 succeeding terms shall be for 3 years, or until a successor is
15 appointed or qualified. Commissioners shall serve without
16 compensation except for reimbursement for reasonable expenses
17 incurred in the performance of duties as a commissioner. A
18 vacancy in the office of a member of a commission shall be
19 filled in like manner as an original appointment.

20 All proceedings and meetings of the governing commission
21 shall be conducted in accordance with the provisions of the
22 Open Meetings Act, as now or hereafter amended.

23 (Source: P.A. 93-709, eff. 7-9-04.)

24 (65 ILCS 95/4.2) (from Ch. 24, par. 1604.2)

25 Sec. 4.2. Merger of Programs.

1 (a) Whenever in a municipality with more than 1,000,000
2 inhabitants or an eligible municipality, the question of
3 merging 2 existing and contiguous home equity programs within
4 the municipality is initiated by resolution or ordinance of the
5 governing commissions of both programs proposed to be merged or
6 by a petition signed by not less than 10% of the total number
7 of registered voters of each program proposed to be merged, the
8 registered voters of which are eligible to sign the petition,
9 it shall be the duty of the election authority having
10 jurisdiction over such municipality to submit the question of
11 merging the programs to the electors of each program at the
12 regular election specified in the resolution, ordinance or
13 petition initiating the question. A petition initiating a
14 question described in this Section shall be filed with the
15 election authority having jurisdiction over the municipality.
16 The petition shall be filed and objections thereto shall be
17 made in the manner provided in the general election law. A
18 resolution, ordinance, or petition initiating a question
19 described in this Section shall specify the election at which
20 the question is to be submitted. The referendum on such
21 question shall be held in accordance with general election law.
22 Such question, and the resolution, ordinance, or petition
23 initiating the question, shall include a description of the
24 territory of the 2 programs, the name of the proposed merged
25 home equity program, and the maximum rate at which the merged
26 home equity program shall be able to levy a property tax. All

1 of that area within the geographic boundaries of the territory
2 of the 2 programs described in such question shall be included
3 in the merged program, and no area outside the geographic
4 boundaries of the territory of the 2 programs described in such
5 question shall be included in the merged program. If the
6 election authority determines that the description cannot be
7 included within the space limitations of the ballot, the
8 election authority shall prepare large printed copies of a
9 notice of the question, which shall be prominently displayed in
10 the polling place of each precinct in which the question is to
11 be submitted.

12 (b) Whenever a majority of the voters on such public
13 question in each existing program approve the merger of home
14 equity programs as certified by the proper election
15 authorities, the 9 commissioners of each of the merged programs
16 shall serve as the 18 member governing body of the merged home
17 equity program.

18 No fewer than 10 commissioners serving at any one time
19 shall reside within the territory of the merged program.

20 Upon creation of a merged program, a commissioner shall
21 serve for the term for which he or she was appointed and until
22 a successor is appointed and qualified. All succeeding terms
23 shall be for 3 years, or until a successor is appointed and
24 qualified, and no commissioner may serve more than 2
25 consecutive terms. Commissioners shall serve without
26 compensation except for reimbursement for reasonable expenses

1 incurred in the performance of duties as a commissioner. A
2 vacancy in the office of a member of the commission shall be
3 filled in like manner as an original appointment.

4 All proceedings and meetings of the governing commission
5 shall be conducted in accordance with the provisions of the
6 Open Meetings Act, as now or hereafter amended.

7 Upon creation of a merged program, the members of each of
8 the 2 programs merged into the merged program shall be members
9 of the merged program, the guarantee funds of each shall be
10 merged, and they shall be operated as a single program.

11 (Source: P.A. 86-684.)

12 (65 ILCS 95/11) (from Ch. 24, par. 1611)

13 Sec. 11. Guarantee Fund.

14 (a) Each governing commission and program created by
15 referendum under the provisions of this Act shall maintain a
16 guarantee fund for the purposes of paying the costs of
17 administering the program and extending protection to members
18 pursuant to the limitations and procedures set forth in this
19 Act.

20 (b) The guarantee fund shall be raised by means of an
21 annual tax levied on all residential property within the
22 territory of the program having at least one, but not more than
23 6 dwelling units and classified by county ordinance as
24 residential. The rate of this tax may be changed from year to
25 year by majority vote of the governing commission but in no

1 case shall it exceed a rate of 0.155% ~~.12%~~ of the equalized
2 assessed valuation of all property in the territory of the
3 program having at least one, but not more than 6 dwelling units
4 and classified by county ordinance as residential, or the
5 maximum tax rate approved by the voters of the territory at the
6 referendum which created the program or, in the case of a
7 merged program, the maximum tax rate approved by the voters at
8 the referendum authorizing the merger, whichever rate is lower.
9 The commissioners shall cause the amount to be raised by
10 taxation in each year to be certified to the county clerk in
11 the manner provided by law, and any tax so levied and certified
12 shall be collected and enforced in the same manner and by the
13 same officers as those taxes for the purposes of the county and
14 city within which the territory of the commission is located.
15 Any such tax, when collected, shall be paid over to the proper
16 officer of the commission who is authorized to receive and
17 receipt for such tax. The governing commission may issue tax
18 anticipation warrants against the taxes to be assessed for the
19 calendar year in which the program is created and for the first
20 full calendar year after the creation of the program.

21 (c) The moneys deposited in the guarantee fund shall, as
22 nearly as practicable, be fully and continuously invested or
23 reinvested by the governing commission in investment
24 obligations which shall be in such amounts, and shall mature at
25 such times, that the maturity or date of redemption at the
26 option of the holder of such investment obligations shall

1 coincide, as nearly as practicable, with the times at which
2 monies will be required for the purposes of the program. For
3 the purposes of this Section investment obligation shall mean
4 direct general municipal, state, or federal obligations which
5 at the time are legal investments under the laws of this State
6 and the payment of principal of and interest on which are
7 unconditionally guaranteed by the governing body issuing them.

8 (d) Except as permitted by this subsection and subsection
9 (d-5), the guarantee fund shall be used solely and exclusively
10 for the purpose of providing guarantees to members of the
11 particular Guaranteed Home Equity Program and for reasonable
12 salaries, expenses, bills, and fees incurred in administering
13 the program, and shall be used for no other purpose.

14 An eligible municipality with a home equity program shall
15 have no less than \$1,000,000 in its guarantee fund. A governing
16 commission, with no less than \$1,000,000 ~~\$4,000,000~~ in its
17 guarantee fund, may, if authorized (i) by referendum duly
18 adopted by a majority of the voters or (ii) by resolution of
19 the governing commission upon approval by two-thirds of the
20 commissioners, establish a Low Interest Home Improvement Loan
21 Program in accordance with and subject to procedures
22 established by a financial institution, as defined in the
23 Illinois Banking Act. Whenever the question of creating a Low
24 Interest Home Improvement Loan Program is initiated by
25 resolution or ordinance of the corporate authorities of the
26 municipality or by a petition signed by not less than 10% of

1 the total number of registered voters of each precinct in the
2 territory, the registered voters of which are eligible to sign
3 the petition, it shall be the duty of the election authority
4 having jurisdiction over the municipality to submit the
5 question of creating the program to the electors of each
6 precinct within the territory at the regular election specified
7 in the resolution, ordinance, or petition initiating the
8 question. A petition initiating a question described in this
9 subsection shall be filed with the election authority having
10 jurisdiction over the municipality. The petition shall be filed
11 and objections to the petition shall be made in the manner
12 provided in the Election Code. A resolution, ordinance, or
13 petition initiating a question described in this subsection
14 shall specify the election at which the question is to be
15 submitted. The referendum on the question shall be held in
16 accordance with the Election Code. The question shall be in
17 substantially the following form:

18 "Shall the (name of the home equity program) implement
19 a Low Interest Home Improvement Loan Program with money
20 from the guarantee fund of the established guaranteed home
21 equity program?"

22 The votes must be recorded as "Yes" or "No".

23 Whenever a majority of the voters on the public question
24 approve the creation of the program as certified by the proper
25 election authorities or a resolution of the governing
26 commission is approved by a two-thirds majority, the commission

1 shall establish the program and administer the program with
2 funds collected under the Guaranteed Home Equity Program,
3 subject to the following conditions:

4 (1) At any given time, the cumulative total of all
5 loans and loan guarantees (if applicable) issued under this
6 program may not reduce the balance of the guarantee fund to
7 less than \$3,000,000.

8 (2) Only eligible applicants may apply for a loan.

9 (3) The loan must be used for the repair, maintenance,
10 remodeling, alteration, or improvement of a guaranteed
11 residence. This condition is intended to include the repair
12 or maintenance of a guaranteed residence's water and sewer
13 pipes and repair of a guaranteed residence, including but
14 not limited to basement repairs, following flooding damage
15 to the property. This condition is not intended to exclude
16 the repair, maintenance, remodeling, alteration, or
17 improvement of a guaranteed residence's landscape. This
18 condition is intended to exclude the demolition of a
19 current residence. This condition is also intended to
20 exclude the construction of a new residence.

21 (4) An eligible applicant may not borrow more than the
22 amount of equity value in his or her residence.

23 (5) A commission must ensure that loans issued are
24 secured with collateral that is at least equal to the
25 amount of the loan or loan guarantee.

26 (6) A commission shall charge an interest rate which it

1 determines to be below the market rate of interest
2 generally available to the applicant.

3 (7) A commission may, by resolution, establish other
4 administrative rules and procedures as are necessary to
5 implement this program including, but not limited to, loan
6 dollar amounts and terms. A commission may also impose on
7 loan applicants a one-time application fee for the purpose
8 of defraying the costs of administering the program.

9 (d-5) A governing commission, with no less than \$4,000,000
10 in its guarantee fund, may, if authorized by referendum duly
11 adopted by a majority of the voters, establish a Foreclosure
12 Prevention Loan Fund to provide low interest emergency loans to
13 eligible applicants that may be forced into foreclosure
14 proceedings.

15 Whenever the question of creating a Foreclosure Prevention
16 Loan Fund is initiated by resolution or ordinance of the
17 corporate authorities of the municipality or by a petition
18 signed by not less than 10% of the total number of registered
19 voters of each precinct in the territory, the registered voters
20 of which are eligible to sign the petition, it shall be the
21 duty of the election authority having jurisdiction over the
22 municipality to submit the question of creating the program to
23 the electors of each precinct within the territory at the
24 regular election specified in the resolution, ordinance, or
25 petition initiating the question. A petition initiating a
26 question described in this subsection shall be filed with the

1 election authority having jurisdiction over the municipality.
2 The petition shall be filed and objections to the petition
3 shall be made in the manner provided in the Election Code. A
4 resolution, ordinance, or petition initiating a question
5 described in this subsection shall specify the election at
6 which the question is to be submitted. The referendum on the
7 question shall be held in accordance with the Election Code.
8 The question shall be in substantially the following form:

9 "Shall the (name of the home equity program) implement a
10 Foreclosure Prevention Loan Fund with money from the guarantee
11 fund of the established guaranteed home equity program?"

12 The votes must be recorded as "Yes" or "No".

13 Whenever a majority of the voters on the public question
14 approve the creation of a Foreclosure Prevention Loan Fund as
15 certified by the proper election authorities, the commission
16 shall establish the program and administer the program with
17 funds collected under the Guaranteed Home Equity Program,
18 subject to the following conditions:

19 (1) At any given time, the cumulative total of all
20 loans and loan guarantees (if applicable) issued under this
21 program may not exceed \$3,000,000.

22 (2) Only eligible applicants may apply for a loan. The
23 Commission may establish, by resolution, additional
24 criteria for eligibility.

25 (3) The loan must be used to assist with preventing
26 foreclosure proceedings.

1 (4) An eligible applicant may not borrow more than the
2 amount of equity value in his or her residence.

3 (5) A commission must ensure that loans issued are
4 secured as a second lien on the property.

5 (6) A commission shall charge an interest rate which it
6 determines to be below the market rate of interest
7 generally available to the applicant.

8 (7) A commission may, by resolution, establish other
9 administrative rules and procedures as are necessary to
10 implement this program including, but not limited to,
11 eligibility requirements for eligible applicants, loan
12 dollar amounts, and loan terms.

13 (8) A commission may also impose on loan applicants a
14 one-time application fee for the purpose of defraying the
15 costs of administering the program.

16 (e) The guarantee fund shall be maintained, invested, and
17 expended exclusively by the governing commission of the program
18 for whose purposes it was created. Under no circumstance shall
19 the guarantee fund be used by any person or persons,
20 governmental body, or public or private agency or concern other
21 than the governing commission of the program for whose purposes
22 it was created. Under no circumstances shall the guarantee fund
23 be commingled with other funds or investments.

24 (e-1) No commissioner or family member of a commissioner,
25 or employee or family member of an employee, may receive any
26 financial benefit, either directly or indirectly, from the

1 guarantee fund. Nothing in this subsection (e-1) shall be
2 construed to prohibit payment of expenses to a commissioner in
3 accordance with Section 4 or payment of salaries or expenses to
4 an employee in accordance with this Section.

5 As used in this subsection (e-1), "family member" means a
6 spouse, child, stepchild, parent, brother, or sister of a
7 commissioner or a child, stepchild, parent, brother, or sister
8 of a commissioner's spouse.

9 (f) An independent audit of the guarantee fund and the
10 management of the program shall be conducted annually and made
11 available to the public through any office of the governing
12 commission or a public facility such as a local public library
13 located within the territory of the program.

14 (Source: P.A. 98-1160, eff. 6-1-15; 99-37, eff. 1-1-16.)".