



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB0304

Introduced 1/10/2019, by Rep. David McSweeney

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-7

from Ch. 24, par. 11-74.4-7

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that all obligations issued by a non-home rule municipality in connection with the Tax Increment Allocation Redevelopment Act (instead of TIF obligations secured by the full faith and credit of the municipality) are subject to a backdoor referendum. Provides that a petition calling for a referendum on the issuance of those bonds shall be filed within 45 (instead of 30) days after the publication of the ordinance. Makes changes concerning the signature requirement for those petitions. Effective immediately.

LRB101 04025 AWJ 49033 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 11-74.4-7 as follows:

6 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

7 Sec. 11-74.4-7. Obligations secured by the special tax  
8 allocation fund set forth in Section 11-74.4-8 for the  
9 redevelopment project area may be issued to provide for  
10 redevelopment project costs. Such obligations, when so issued,  
11 shall be retired in the manner provided in the ordinance  
12 authorizing the issuance of such obligations by the receipts of  
13 taxes levied as specified in Section 11-74.4-9 against the  
14 taxable property included in the area, by revenues as specified  
15 by Section 11-74.4-8a and other revenue designated by the  
16 municipality. A municipality may in the ordinance pledge all or  
17 any part of the funds in and to be deposited in the special tax  
18 allocation fund created pursuant to Section 11-74.4-8 to the  
19 payment of the redevelopment project costs and obligations. Any  
20 pledge of funds in the special tax allocation fund shall  
21 provide for distribution to the taxing districts and to the  
22 Illinois Department of Revenue of moneys not required, pledged,  
23 earmarked, or otherwise designated for payment and securing of

1 the obligations and anticipated redevelopment project costs  
2 and such excess funds shall be calculated annually and deemed  
3 to be "surplus" funds. In the event a municipality only applies  
4 or pledges a portion of the funds in the special tax allocation  
5 fund for the payment or securing of anticipated redevelopment  
6 project costs or of obligations, any such funds remaining in  
7 the special tax allocation fund after complying with the  
8 requirements of the application or pledge, shall also be  
9 calculated annually and deemed "surplus" funds. All surplus  
10 funds in the special tax allocation fund shall be distributed  
11 annually within 180 days after the close of the municipality's  
12 fiscal year by being paid by the municipal treasurer to the  
13 County Collector, to the Department of Revenue and to the  
14 municipality in direct proportion to the tax incremental  
15 revenue received as a result of an increase in the equalized  
16 assessed value of property in the redevelopment project area,  
17 tax incremental revenue received from the State and tax  
18 incremental revenue received from the municipality, but not to  
19 exceed as to each such source the total incremental revenue  
20 received from that source. The County Collector shall  
21 thereafter make distribution to the respective taxing  
22 districts in the same manner and proportion as the most recent  
23 distribution by the county collector to the affected districts  
24 of real property taxes from real property in the redevelopment  
25 project area.

26 Without limiting the foregoing in this Section, the

1 municipality may in addition to obligations secured by the  
2 special tax allocation fund pledge for a period not greater  
3 than the term of the obligations towards payment of such  
4 obligations any part or any combination of the following: (a)  
5 net revenues of all or part of any redevelopment project; (b)  
6 taxes levied and collected on any or all property in the  
7 municipality; (c) the full faith and credit of the  
8 municipality; (d) a mortgage on part or all of the  
9 redevelopment project; (d-5) repayment of bonds issued  
10 pursuant to subsection (p-130) of Section 19-1 of the School  
11 Code; or (e) any other taxes or anticipated receipts that the  
12 municipality may lawfully pledge.

13       Such obligations may be issued in one or more series  
14 bearing interest at such rate or rates as the corporate  
15 authorities of the municipality shall determine by ordinance.  
16 Such obligations shall bear such date or dates, mature at such  
17 time or times not exceeding 20 years from their respective  
18 dates, be in such denomination, carry such registration  
19 privileges, be executed in such manner, be payable in such  
20 medium of payment at such place or places, contain such  
21 covenants, terms and conditions, and be subject to redemption  
22 as such ordinance shall provide. Obligations issued pursuant to  
23 this Act may be sold at public or private sale at such price as  
24 shall be determined by the corporate authorities of the  
25 municipalities. No referendum approval of the electors shall be  
26 required as a condition to the issuance of obligations pursuant

1 to this Division except as provided in this Section.

2 In the event the municipality authorizes issuance of  
3 obligations pursuant to the authority of this Division, ~~secured~~  
4 ~~by the full faith and credit of the municipality, which~~  
5 ~~obligations are~~ other than obligations which may be issued  
6 under home rule powers provided by Article VII, Section 6 of  
7 the Illinois Constitution, ~~or pledges taxes pursuant to (b) or~~  
8 ~~(c) of the second paragraph of this section,~~ the ordinance  
9 authorizing the issuance of such obligations or pledging such  
10 taxes shall be published within 10 days after such ordinance  
11 has been passed in one or more newspapers, with general  
12 circulation within such municipality. The publication of the  
13 ordinance shall be accompanied by a notice of (1) the specific  
14 number of voters required to sign a petition requesting the  
15 question of the issuance of such obligations or pledging taxes  
16 to be submitted to the electors; (2) the time in which such  
17 petition must be filed; and (3) the date of the prospective  
18 referendum. The municipal clerk shall provide a petition form  
19 to any individual requesting one.

20 If no petition is filed with the municipal clerk, as  
21 hereinafter provided in this Section, within 45 ~~30~~ days after  
22 the publication of the ordinance, the ordinance shall be in  
23 effect. But, if within that 45 ~~30~~ day period a petition is  
24 filed with the municipal clerk, signed by electors in the  
25 municipality numbering the greater of (i) 7.5% of the ~~10% or~~  
26 ~~more of the number of~~ registered voters in the municipality; or

1 (ii) the lesser of 200 of the registered voters or 15% of the  
2 registered voters, asking that the question of issuing  
3 obligations ~~using full faith and credit of the municipality as~~  
4 ~~security for the cost of paying for redevelopment project~~  
5 ~~costs, or of pledging taxes for the payment of such~~  
6 ~~obligations, or both,~~ be submitted to the electors of the  
7 municipality, the corporate authorities of the municipality  
8 shall call a special election in the manner provided by law to  
9 vote upon that question, or, if a general, State or municipal  
10 election is to be held within a period of not less than 30 or  
11 more than 90 days from the date such petition is filed, shall  
12 submit the question at the next general, State or municipal  
13 election. If it appears upon the canvass of the election by the  
14 corporate authorities that a majority of electors voting upon  
15 the question voted in favor thereof, the ordinance shall be in  
16 effect, but if a majority of the electors voting upon the  
17 question are not in favor thereof, the ordinance shall not take  
18 effect.

19 The ordinance authorizing the obligations may provide that  
20 the obligations shall contain a recital that they are issued  
21 pursuant to this Division, which recital shall be conclusive  
22 evidence of their validity and of the regularity of their  
23 issuance.

24 In the event the municipality authorizes issuance of  
25 obligations pursuant to this Section secured by the full faith  
26 and credit of the municipality, the ordinance authorizing the

1 obligations may provide for the levy and collection of a direct  
2 annual tax upon all taxable property within the municipality  
3 sufficient to pay the principal thereof and interest thereon as  
4 it matures, which levy may be in addition to and exclusive of  
5 the maximum of all other taxes authorized to be levied by the  
6 municipality, which levy, however, shall be abated to the  
7 extent that monies from other sources are available for payment  
8 of the obligations and the municipality certifies the amount of  
9 said monies available to the county clerk.

10 A certified copy of such ordinance shall be filed with the  
11 county clerk of each county in which any portion of the  
12 municipality is situated, and shall constitute the authority  
13 for the extension and collection of the taxes to be deposited  
14 in the special tax allocation fund.

15 A municipality may also issue its obligations to refund in  
16 whole or in part, obligations theretofore issued by such  
17 municipality under the authority of this Act, whether at or  
18 prior to maturity, provided however, that the last maturity of  
19 the refunding obligations may not be later than the dates set  
20 forth under Section 11-74.4-3.5.

21 In the event a municipality issues obligations under home  
22 rule powers or other legislative authority the proceeds of  
23 which are pledged to pay for redevelopment project costs, the  
24 municipality may, if it has followed the procedures in  
25 conformance with this division, retire said obligations from  
26 funds in the special tax allocation fund in amounts and in such

1 manner as if such obligations had been issued pursuant to the  
2 provisions of this division.

3 All obligations heretofore or hereafter issued pursuant to  
4 this Act shall not be regarded as indebtedness of the  
5 municipality issuing such obligations or any other taxing  
6 district for the purpose of any limitation imposed by law.

7 The referendum changes made by this amendatory Act of the  
8 101st General Assembly apply only to ordinances adopted on or  
9 after the effective date of this amendatory Act of the 101st  
10 General Assembly.

11 (Source: P.A. 100-531, eff. 9-22-17.)

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