

# SB1304



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1304

Introduced 2/3/2023, by Sen. Laura M. Murphy

### 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 of the Illinois Municipal Code. Provides that all surplus funds in the special tax allocation fund shall be distributed as soon as possible after they are calculated (rather than distributed annually within 180 days after the close of the municipality's fiscal year).

LRB103 26368 AWJ 52730 b

A BILL FOR

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  
13 of taxes levied as specified in Section 11-74.4-9 against the  
14 taxable property included in the area, by revenues as  
15 specified by Section 11-74.4-8a and other revenue designated  
16 by the municipality. A municipality may in the ordinance  
17 pledge all or any part of the funds in and to be deposited in  
18 the special tax allocation fund created pursuant to Section  
19 11-74.4-8 to the payment of the redevelopment project costs  
20 and obligations. Any pledge of funds in the special tax  
21 allocation fund shall provide for distribution to the taxing  
22 districts and to the Illinois Department of Revenue of moneys  
23 not required, pledged, earmarked, or otherwise designated for

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

1 Without limiting the foregoing in this Section, the  
2 municipality may in addition to obligations secured by the  
3 special tax allocation fund pledge for a period not greater  
4 than the term of the obligations towards payment of such  
5 obligations any part or any combination of the following: (a)  
6 net revenues of all or part of any redevelopment project; (b)  
7 taxes levied and collected on any or all property in the  
8 municipality; (c) the full faith and credit of the  
9 municipality; (d) a mortgage on part or all of the  
10 redevelopment project; (d-5) repayment of bonds issued  
11 pursuant to subsection (p-130) of Section 19-1 of the School  
12 Code; or (e) any other taxes or anticipated receipts that the  
13 municipality may lawfully pledge.

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

1 be required as a condition to the issuance of obligations  
2 pursuant to this Division except as provided in this Section.

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

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

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

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

23 In the event the municipality authorizes issuance of  
24 obligations pursuant to this Section secured by the full faith  
25 and credit of the municipality, the ordinance authorizing the  
26 obligations may provide for the levy and collection of a

1 direct annual tax upon all taxable property within the  
2 municipality sufficient to pay the principal thereof and  
3 interest thereon as it matures, which levy may be in addition  
4 to and exclusive of the maximum of all other taxes authorized  
5 to be levied by the municipality, which levy, however, shall  
6 be abated to the extent that monies from other sources are  
7 available for payment of the obligations and the municipality  
8 certifies the amount of said monies available to the county  
9 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 (Source: P.A. 100-531, eff. 9-22-17.)