



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3679

Introduced 2/9/2024, by Sen. Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

New Act

Creates the Business Improvement District Law. Provides for the establishment of business improvement districts by a municipality by ordinance after petition by property owners, creation of a district plan, notice, and hearings. Provides that a business improvement district may impose district charges on property owners whose real properties are located within the business improvement district. Provides that the board of directors of a business improvement district shall administer or implement activities and improvements specified in the district plan unless the board contracts with a district management association to do so. Contains provisions relating to district plans, formation of a district, district boundaries, terms and renewal of districts, amendment to district plans, governance of the district, reports of the board of directors of a business improvement district, contesting the validity of a business improvement district, district plan, or district charge, dissolution, and legislative purpose. Provides that the Act applies only to municipalities having a population exceeding 500,000. Defines terms. Effective immediately.

LRB103 39381 AWJ 69554 b

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 1. Short title. This Act may be cited as the
5 Business Improvement District Law.

6 Section 5. Purpose. The General Assembly finds that it is
7 in the interest of the State of Illinois to promote the
8 economic revitalization and physical maintenance of business
9 districts in order to create jobs, attract new businesses,
10 retain existing businesses, increase public safety, and spur
11 new investments. The General Assembly finds that this purpose
12 may best be accomplished by allowing business improvement
13 districts to fund business-related activities and improvements
14 through the levy of district charges upon the owners of real
15 property that receive benefits from those activities and
16 improvements.

17 Section 7. Applicability. This Act applies only to
18 municipalities having a population exceeding 500,000.

19 Section 10. Definitions. As used in this Act:

20 "Activities" means services provided for the purpose of
21 conferring benefit upon assessed owners of property located

1 within a business improvement district, including, but not
2 limited to:

3 (1) promotion of events taking place within the
4 business improvement district;

5 (2) furnishing of music;

6 (3) marketing and economic development, including
7 retail retention and recruitment;

8 (4) providing security, sanitation, graffiti removal,
9 street and sidewalk cleaning, and other services
10 supplemental to base services; and

11 (5) other services provided for the purpose of
12 conferring benefit upon assessed owners of property
13 located within the business improvement district.

14 "Activities" does not include lobbying, as that term is
15 defined in Section 2 of the Lobbyist Registration Act and
16 Chapter 2-156 of the Municipal Code of Chicago.

17 "Base services" means services provided by any public
18 entity, or paid for wholly or in part out of public funds,
19 generally throughout a municipality to real property within
20 the municipality.

21 "Business improvement district" means a contiguous area
22 within a municipality in which activities, improvements, or
23 activities and improvements are provided in addition to base
24 services. Territory shall be considered contiguous for
25 purposes of this Act even though certain completely surrounded
26 portions of the territory are excluded from the business

1 improvement district. For purposes of this Act, parcels are
2 within the same contiguous area if they touch or join one
3 another in a reasonably substantial physical sense or if they
4 meet the criteria for annexation to a municipality under
5 Section 7-1-1 of the Illinois Municipal Code.

6 "Clerk" means the municipal clerk.

7 "District charge" means a charge levied on behalf of a
8 business improvement district for the purpose of acquiring,
9 constructing, installing, or maintaining improvements or
10 providing activities that will confer special benefits upon
11 assessed property owners within the business improvement
12 district. District charges levied for the purpose of
13 conferring special benefits upon assessed property owners
14 within a business improvement district are not taxes for the
15 general benefit of a municipality, even if real property or
16 persons not charged receive incidental or collateral
17 beneficial effects.

18 "District management association" means a private or
19 not-for-profit entity that enters into a contract with a board
20 of directors of a business improvement district to administer
21 or implement activities and improvements specified in the
22 district plan for a business improvement district. A district
23 management association shall not be considered a public entity
24 for any purpose.

25 "District plan" means a proposal for a business
26 improvement district that contains the information described

1 in Section 15.

2 "Governing body" means the corporate authorities of a
3 municipality.

4 "Improvements" means the acquisition, construction,
5 installation, or maintenance of any tangible property provided
6 for the purpose of conferring benefit upon assessed property
7 owners located within a business improvement district.

8 "Property owner" or "owner" means the record owner of fee
9 simple interest in a real property subject to assessment,
10 which will be deemed to be the person or entity that pays
11 property taxes on the real property according to county
12 records, unless another person or entity establishes to the
13 municipality by clear and convincing evidence that they are
14 the record owner of the fee simple interest.

15 "Public entity" means (i) the State or any agency, board,
16 or commission of the State, (ii) any school district, or (iii)
17 any unit of local government.

18 Section 15. District plan.

19 (a) A business improvement district established under this
20 Act is subject to and governed by a district plan, as may be
21 amended as set forth in Section 60, and filed with the clerk. A
22 district plan shall be prepared by the property owner or
23 owners who submit the written petition to the clerk under
24 Section 30.

25 (b) The district plan shall include, but need not be

1 limited to, the following:

2 (1) The name of the business improvement district.

3 (2) A map of the business improvement district in
4 sufficient detail to allow a property owner to reasonably
5 determine whether a parcel of real property is located
6 within the boundaries of the business improvement
7 district.

8 (3) A description of the boundaries of the business
9 improvement district in a manner sufficient to identify
10 the real property included in the business improvement
11 district.

12 (4) The initial term of the business improvement
13 district.

14 (5) A statement identifying the activities and
15 improvements within the business improvement district that
16 may be provided from time to time for which property
17 owners will be charged and that the activities and
18 improvements that are provided may vary from year to year
19 and may differ by class.

20 (6) A statement identifying the maximum amount of the
21 annual district charge to be levied and that the maximum
22 amount of the annual district charge levied may vary from
23 year to year.

24 (7) A statement identifying the maximum amount of
25 total district charges to be levied for the term of the
26 business improvement district.

1 (8) A statement identifying the proposed source or
2 sources of financing, including the proposed method and
3 basis of levying an assessment, in sufficient detail to
4 allow each property owner to calculate (i) the estimated
5 amount of the district charge to be levied upon the
6 property owner annually, (ii) the maximum amount of the
7 district charge that could be levied upon the property
8 owner annually, and (iii) the total amount of the district
9 charges that could be levied upon the property owner for
10 the term of the business improvement district.

11 (9) Any interest or penalties that may be imposed for
12 delinquent payment of a district charge.

13 (10) A list of the real property subject to a district
14 charge, and a statement of any proposed classifications.
15 The list shall include the permanent tax index number of
16 each parcel located within the business improvement
17 district.

18 (11) A statement of the real property classes exempt
19 from charge, and a list of the real property to be
20 exempted.

21 (12) A statement identifying the proposed procedures
22 for renewal, subject to the limitations under Section 55.

23 (13) A statement identifying the district management
24 association and the district management association's
25 anticipated liability insurance coverage limits if the
26 business improvement district will be contracting with a

1 district management association.

2 (14) A statement identifying how unspent revenue
3 collected from district charges may be allocated, carried
4 over year to year, or returned to the assessed property
5 owners at the end of each year by applying the same method
6 and basis that was used to calculate the district charges
7 levied throughout the term of the business improvement
8 district.

9 (15) The manner by which an assessed property owner
10 may contest the calculation of a specific district charge.

11 (16) A statement identifying the business improvement
12 district's governance structure. The governance structure
13 shall include a board of directors, and the statement
14 shall identify the size of the board, the manner in which
15 directors are elected or appointed to serve on the board,
16 the term of the board members, and any other details
17 required under Section 50 of this Act.

18 (17) The anticipated annual percentage of total
19 district charges that will be allocated for administrative
20 expenses to operate and maintain the business improvement
21 district.

22 (18) A statement identifying if a class or classes of
23 real property exempt from district charges may elect to
24 have a district charge levied against the property for the
25 purposes of receiving benefits from the business
26 improvement district. If the district plan authorizes this

1 elective participation, the district plan must also
2 identify the process by which the property owner
3 affirmatively elects to participate, the maximum annual
4 amount of district charges to be levied against the
5 property owner, and the maximum amount of total district
6 charges to be levied against the property owner for the
7 term of the business improvement district.

8 (19) Any proposed rules and regulations to be applied
9 to the business improvement district.

10 Section 20. Assessments and district charges.

11 (a) Each district plan shall provide for an assessment
12 levied upon property owners owning property within the
13 business improvement district upon which district charges are
14 based, except an assessment may not be levied against a public
15 entity even if the public entity owns property within the
16 business improvement district. Unless the district plan
17 provides for elective participation and the property owner
18 elects to have a district charge assessed and levied upon the
19 property owner, assessments may not be levied upon property
20 owners owning property within the business improvement
21 district that is classified for purposes of taxation under
22 established ordinance by the local county board as residential
23 or exempt from taxation, except that for properties located in
24 Cook County, this only applies to properties granted Class 0
25 and Class 2 classification under the classification system for

1 assessment in effect when the assessment is levied. District
2 charges shall be levied at a rate or amount sufficient to
3 produce revenues required to provide the activities and
4 improvements specified in the district plan, except a district
5 charge may not be levied against a single property owner that
6 exceeds 20% of the total district charges assessed in the
7 business improvement district. The revenue from the levy of
8 district charges within a business improvement district may
9 not be used to provide services outside the business
10 improvement district or for any purpose other than the
11 purposes set forth in the ordinance adopting the district
12 plan. The business improvement district is not required to use
13 revenue from the levy of district charges within a business
14 improvement district to provide services to any property
15 wherein a district charge is not levied against the property
16 owner.

17 (b) District charges shall be levied on the basis of the
18 estimated benefit to the real property located within the
19 business improvement district. In determining the assessment,
20 the board of directors of a business improvement district may
21 reasonably classify real property for purposes of determining
22 benefit if so provided in the district plan. The
23 classification may be based on various factors, including, as
24 applicable, square footage, geography, or any other factor
25 reasonably relating to the benefit received. Certain classes
26 may be specified in the district plan as exempted from being

1 charged if they would not receive a special benefit from the
2 activities and improvements. District charges need not be
3 imposed on different classes on the same basis or the same
4 rate.

5 (c) District charges levied upon property owners owning
6 property within the business improvement district may be
7 billed and collected as follows:

8 (1) the county collector of the county in which a
9 business improvement district is located may bill and
10 collect district charges with the regular property tax
11 bills of the county if requested by a municipality within
12 its jurisdiction that has established a business
13 improvement district; however, no municipality is required
14 to make this request of its county collector. If the
15 county collector agrees to bill and collect district
16 charges with the regular property tax bills of the county,
17 then the applicable district plan shall be filed with the
18 county collector and the annual amount due as set forth by
19 the board of directors of a business improvement district
20 shall become due in installments at the times property
21 taxes shall become due in accordance with each regular
22 property tax bill payable during the year in which the
23 district charge comes due. The county collector shall
24 promptly remit the district charges collected to the
25 municipality; or

26 (2) if the county collector does not agree to bill and

1 collect district charges with the regular property tax
2 bills of the county or the municipality that has
3 established the business improvement district declines to
4 request the county collector to do so, then the
5 municipality shall bill and collect the district charges,
6 either directly or through a third party, and the annual
7 amount due as set forth by the board of directors of the
8 business improvement district in accordance with the
9 district plan shall become due in installments on or about
10 the times property taxes would otherwise become due in
11 accordance with each regular property tax bill payable
12 during the year in which the district charge comes due.
13 The governmental unit shall not bill the business
14 improvement district for the cost of billing and
15 collecting the district charges, but may pass on the
16 actual costs incurred if using a third party to bill and
17 collect the district charges.

18 (d) District charges shall be payable at the times and in
19 the manner set forth in the applicable bill. Delinquent
20 payments for district charges levied pursuant to this Act may
21 be charged interest and penalties as may be set forth in the
22 district plan.

23 (e) District charges shall promptly, and in no case later
24 than 90 days after collection, be remitted by the municipality
25 to the board of directors of a business improvement district.

1 Section 25. Boundaries of business improvement district.

2 (a) The boundaries of a proposed business improvement
3 district may not overlap with the boundaries of another
4 business improvement district or with the boundaries of a
5 special service area established pursuant to the Special
6 Service Area Tax Law.

7 (b) The boundaries of any proposed business improvement
8 district may overlap with the boundaries of a tax increment
9 financing district.

10 Section 30. Proposals to establish a business improvement
11 district.

12 (a) To propose a business improvement district, a written
13 petition satisfying the requirements of Section 75 shall be
14 filed with the clerk and shall include the name and legal
15 status of the filing party, information specifying where the
16 complete district plan can be obtained, and a summary of the
17 district plan that includes: the boundaries of the proposed
18 business improvement district; the proposed activities and
19 improvements and estimated amount of annual funding required;
20 the method of assessment; the business improvement district's
21 governance structure; and the total amount of the proposed
22 district charges. The information contained in the summary
23 shall be sufficient if it enables a property owner to
24 generally identify the location and extent of the proposed
25 business improvement district, the nature and extent of the

1 activities and improvements, the estimated annual district
2 charge that the property owner would pay, and the maximum
3 annual district charge that the property owner would pay.

4 (b) Upon receiving a written petition to establish a
5 business improvement district and concluding that the petition
6 meets the requirements of Section 75, the clerk shall submit
7 the petition to the governing body.

8 Section 35. Resolution of intent to consider establishment
9 of a business improvement district. After receiving a verified
10 petition from the clerk, the governing body shall, within 90
11 days, adopt a resolution of intention to consider the
12 establishment of a business improvement district. The
13 resolution shall state the time and place of a public hearing
14 to be held by the governing body to consider establishment of a
15 business improvement district and shall restate all the
16 information contained in the petition regarding the boundaries
17 of the proposed business improvement district, the proposed
18 activities and improvements, and estimated amount of annual
19 funding required, the method of assessment, the governance
20 structure, and the total amount of the proposed district
21 charges anticipated for the initial term of the business
22 improvement district.

23 Section 40. Establishment.

24 (a) Within 30 days after the public hearing to consider

1 establishment of a business improvement district, the party
2 who filed the district plan with the clerk may modify the
3 district plan, including to satisfy any applicable legal
4 requirements or remedy any deficiencies, prior to the adoption
5 of an ordinance establishing a business improvement district.
6 Any modification to the district plan that changes the source
7 or sources of financing, including the method and basis of
8 levying the district charge or an increase or reduction in the
9 maximum annual amount or maximum total amount of the district
10 charge against one or more properties within the business
11 improvement district, the procedures for renewal, the
12 boundaries of a business improvement district, the business
13 improvement district's board of director's governance
14 structure, the activities and improvements to be provided
15 within the business improvement district, or a change to the
16 filing party must be approved by a written petition that
17 conforms to the petition signature requirements set forth in
18 Section 75. If the district plan is so modified, the governing
19 body shall call an additional public hearing to hear and
20 consider objections to the modified district plan prior to the
21 adoption of an ordinance establishing a business improvement
22 district.

23 (b) If, following all required public hearings, the
24 governing body decides to establish a business improvement
25 district, the governing body shall adopt an ordinance
26 establishing the business improvement district that shall

1 include, but is not limited to, all the following information:

2 (1) A detailed description of: the boundaries of the
3 proposed business improvement district, which may be made
4 by reference to a plan or map; the proposed activities and
5 improvements, and an estimated amount of annual funding
6 required; the method of assessment; the maximum amount of
7 annual district charges; and the total amount of the
8 proposed district charges for the initial term of the
9 business improvement district. The descriptions shall be
10 sufficient if the descriptions enable a property owner to
11 generally identify the location and extent of the proposed
12 business improvement district, the nature and extent of
13 the activities and improvements, and the maximum annual
14 district charge that the property owner would pay.

15 (2) The time and place where any public hearing
16 concerning the establishment of the business improvement
17 district was held.

18 (3) A statement that the activities and improvements
19 to be conferred upon property owners will be funded by the
20 levy of district charges.

21 (4) A finding that each item in the district plan
22 satisfies all applicable legal requirements and that
23 establishing the business improvement district is in the
24 public interest.

25 (5) The adoption of the district plan, as may be
26 modified pursuant to subsection (a), including each item

1 set forth in Section 15.

2 (6) A statement identifying the entity that will be
3 responsible for administering district charges, including
4 the functions of billing, collecting, and enforcement,
5 pursuant to Section 20.

6 (7) Authorization for the municipality to remit
7 district charges to the board of directors of a business
8 improvement district for the provision of activities and
9 improvement.

10 (8) The deadline and manner for submitting the annual
11 report required in Section 65.

12 (c) The ordinance establishing the business improvement
13 district may not create additional obligations, burdens,
14 requirements, liabilities, or restrictions for the business
15 improvement district, board of directors of a business
16 improvement district, or, when applicable, district management
17 association other than those that are expressly contemplated
18 by the district plan.

19 Section 45. Activities and improvements.

20 (a) Upon establishment of a business improvement district,
21 the municipality or county collector may levy and collect the
22 district charge pursuant to Section 20 as allowed by the
23 district plan and the ordinance adopting the district plan.

24 (b) Activities and improvements provided pursuant to this
25 Act shall be provided in addition to base services. The

1 appropriate municipality shall continue to provide the same
2 level of base services in any business improvement district as
3 is provided to other real property within the municipality.
4 The business improvement district is not expected or required
5 to supplement any base services, but the board of directors of
6 a business improvement district or the district management
7 association, whichever may be applicable, may cause activities
8 and improvements that supplement any base services within the
9 business improvement district in accordance with the district
10 plan.

11 Section 50. Governance.

12 (a) The board of directors of a business improvement
13 district shall be established as a not-for-profit corporation
14 subject to all applicable State and federal laws or
15 regulations.

16 (b) The bylaws of a board of directors of a business
17 improvement district shall provide for voting representation
18 of owners whose real property is located within the business
19 improvement district and may provide that the votes be
20 weighted in proportion to the district charge levied or to be
21 levied upon property owners within the business improvement
22 district, except the total number of votes assigned to one
23 owner may not exceed 20% of the total number of votes which may
24 be cast.

25 (c) In the initial year of the first term of a business

1 improvement district, unless a lower threshold is expressly
2 provided for in the district plan, all serving on the board of
3 directors shall be property owners, their property management
4 agents, or their tenant designees whose real property is
5 located within the business improvement district. After the
6 initial year of the first term of a business improvement
7 district, at least 25% of the members of the board of directors
8 must consist of tenant designees of property owners whose real
9 property is located within the business improvement district.
10 In order to satisfy the 25% tenant designee requirement, the
11 board may increase in size if permitted under the district
12 plan and bylaws of the board of directors pursuant to
13 subsection (b). As used in this subsection, "tenant designee"
14 includes (i) an individual, partnership, corporation,
15 association, joint venture, or other commercial entity that
16 maintains a tenancy agreement with a property owner for real
17 property located within the business improvement district or
18 (ii) a private or not-for-profit entity that represents the
19 interests of an individual partnership, corporation,
20 association, joint venture, or other commercial entity that
21 maintains a tenancy agreement with a property owner for real
22 property located within the business improvement district, and
23 who is required to pay some portion of the district charge
24 assessed against the property owner pursuant to the tenancy
25 agreement or some other written agreement maintained with the
26 property owner. In order for a tenant designee to be eligible

1 to serve on the board of directors of a business improvement
2 district, the tenant designee's tenancy agreement with the
3 property owner must cover leased space that constitutes a
4 substantial percentage of the total leasable area within the
5 property owner's property located inside the business
6 improvement district and whose presence substantially
7 contributes to the property's overall economic viability. A
8 tenant designee may be deemed to substantially contribute to
9 the property's overall economic viability based on factors
10 such as leased square footage, revenue contribution, industry
11 prominence, or other considerations relevant to the property's
12 commercial dynamics. The determination of a tenant designee as
13 substantially contributing to the property's overall economic
14 viability shall be at the sole discretion of the property
15 owner. Failure to fill vacancies allocated to a tenant
16 designee do not prevent the board of directors from continuing
17 operations if the board of directors is operating consistent
18 with the bylaws of the board of directors and any applicable
19 State or federal law.

20 (d) The composition of the board of directors shall be
21 described in the statement identifying the governance
22 structure of the business improvement district in the district
23 plan. If allowed by the district plan, the bylaws of a board of
24 directors of a business improvement district may establish a
25 variable range for the size of the board by prescribing a
26 minimum and maximum number of directors. If a variable range

1 is established, unless the district plan otherwise provides,
2 the number of directors may be fixed or changed from time to
3 time, within the minimum and maximum, by the directors without
4 further amendment to the bylaws.

5 (e) For each business improvement district, the board of
6 directors of the business improvement district may contract
7 with a district management association if so designated in the
8 district plan to administer the operation of and provide for
9 and maintain activities and improvements in and for a business
10 improvement district. The contract may provide for the
11 provision and maintenance of activities and improvements by
12 one or more subcontractors of a district management
13 association.

14 (f) In addition to other powers as are conferred on it by
15 law, the board of directors of a business improvement district
16 may make recommendations to the governing body with respect to
17 any matter involving or relating to the business improvement
18 district.

19 (g) For consideration as it may deem appropriate, the
20 governing body may license or grant to the board of directors
21 of a business improvement district the right to undertake or
22 permit commercial activities or other private uses of the
23 streets or other parts of the business improvement district in
24 which the municipality has any real property interest.

25 Section 55. Term; renewal.

1 (a) The initial term for a business improvement district
2 shall be a maximum of 5 years. Any business improvement
3 district may be renewed one or more times by following the
4 procedures for renewal as provided in the district plan if
5 each property owner that is subject to assessment is notified
6 of a pending renewal. A renewal may not go into effect when,
7 prior to the effective date of the renewal, a written petition
8 seeking termination of the renewal that conforms to the
9 petition signature requirements set forth in Section 75 is
10 delivered to the clerk.

11 (b) Upon each renewal, a business improvement district
12 shall have an additional term not to exceed 10 years. Prior to
13 renewal, the ordinance adopting the district plan may be
14 amended pursuant to Section 60, with the amendments to take
15 effect upon renewal.

16 (c) Upon renewal, any remaining revenues derived from the
17 levy of district charges, or any revenues derived from the
18 sale of assets acquired with the revenues, shall be
19 transferred to the board of directors of the renewed business
20 improvement district. If the renewed business improvement
21 district includes additional real property not included within
22 the prior business improvement district, the remaining
23 revenues shall be spent to benefit only the real property
24 within the boundaries of the prior business improvement
25 district. If the renewed business improvement district does
26 not include real property included in the prior business

1 improvement district, the remaining revenues attributable to
2 that real property shall be refunded to the property owners of
3 that real property.

4 Section 60. Amendments.

5 (a) Only upon the written request of the board of
6 directors of a business improvement district may the governing
7 body amend the ordinance adopting the district plan upon which
8 the establishment or renewal of the business improvement
9 district was based as set forth in this Section.

10 (b) Amendments that provide for any change to the source
11 or sources of financing, including the method and basis of
12 levying the district charge or an increase in the maximum
13 annual district charge or the maximum total district charges
14 for the term of the business improvement district, or that
15 provide for any change to the procedures for renewal may be
16 adopted by the governing body by ordinance if, after a public
17 hearing, the governing body determines that it is in the
18 public interest to authorize the change to the source or
19 sources of financing or to authorize the change to the
20 procedures for renewal.

21 (c) Amendments that provide for a change to the boundaries
22 of a business improvement district may be adopted by the
23 governing body by ordinance if, after a public hearing, the
24 governing body determines that it is in the public interest to
25 authorize the change to the boundaries of the business

1 improvement district and, if applicable, that all newly
2 included property will benefit from the activities and
3 improvements provided. The governing body may change the
4 boundaries of a business improvement district by either
5 expanding or reducing the existing boundaries. If the change
6 to the boundaries is an expansion to existing boundaries, the
7 expansion area must be contiguous with an existing boundary
8 and the district charges upon property owners in the expansion
9 area shall comply with the requirements of Section 20. The
10 governing body may consider an expansion to the boundaries of
11 a business improvement district only upon receipt of a written
12 petition of property owners within the proposed expansion area
13 that conforms to the petition signature requirements set forth
14 in Section 75. Any revenues that are unspent at the time of an
15 amendment expanding the boundaries of a business improvement
16 district shall be spent to benefit only the real property
17 within the prior boundaries of the business improvement
18 district. If the change to the boundaries is a reduction to
19 existing boundaries, any revenues that are unspent at the time
20 of the amendment and are associated with real property that is
21 being removed from the business improvement district, then
22 those remaining revenues shall be refunded to the assessed
23 property owners of the real property. Any amendment that
24 changes the boundaries of a business improvement district
25 shall provide an updated map of the business improvement
26 district that reflects the expansion or reduction of its

1 boundaries.

2 (d) Notice shall be given and public hearings shall be
3 held in accordance with Sections 80 and 85.

4 (e) An amendment not provided for in subsection (b) or (c)
5 may be adopted by the governing body by ordinance without
6 notice and a public hearing if the governing body determines
7 that the amendment is consistent with the objectives of the
8 district plan and is in the public interest to approve the
9 amendment, but the amendment may not create any additional
10 obligations, burdens, requirements, liabilities, or
11 restrictions for the business improvement district or the
12 board of directors of a business improvement district other
13 than those that are expressly allowed by the district plan.

14 Section 65. Reports.

15 (a) The board of directors of a business improvement
16 district or the district management association, whichever may
17 be applicable, shall prepare or have prepared a report for
18 each fiscal year, except the first fiscal year, for which
19 district charges are to be levied and collected to pay the
20 costs of activities and improvements. The first report shall
21 be submitted after the first year of operation of the business
22 improvement district.

23 (b) The report shall be submitted to the governing body,
24 and to each property owner subject to a district charge upon
25 request, and shall be made available for public inspection.

1 The report shall refer to the business improvement district by
2 name, specify the fiscal year to which the report applies,
3 and, with respect to that fiscal year, shall contain, but is
4 not limited to, all the following information:

5 (1) The activities and improvements provided in the
6 previous fiscal year.

7 (2) The cost of the activities and improvements
8 provided in the previous fiscal year.

9 (3) Administrative expenses incurred in connection
10 with the activities and improvements provided in the
11 previous fiscal year.

12 (4) All other administrative expenses incurred in the
13 previous fiscal year not contemplated by paragraph (3).

14 (5) The amount of any surplus or deficit revenues to
15 be carried over from the previous fiscal year.

16 (6) A comparison of the projected budget to the actual
17 expenditures of the business improvement district for the
18 previous fiscal year.

19 (7) Planned activities and improvements and projected
20 costs and administrative expenses for the upcoming fiscal
21 year.

22 (8) When applicable, the annual performance evaluation
23 of the district management association to be conducted by
24 the board of directors for the business improvement
25 district.

26 (9) Applicable annual milestones and metrics for the

1 purposes of measuring the success of the business
2 improvement district, including the impacts of the
3 activities and improvements contemplated by the district
4 plan on economic activity, labor market, public and
5 community safety statistics, and property values within
6 the business improvement district.

7 (10) Clear instructions on how to access any other
8 publicly available report or filing submitted by the
9 business improvement district under applicable State or
10 federal laws or regulations.

11 (c) In addition to the annual reporting requirement, the
12 board of directors of a business improvement district shall
13 notify the governing body of any proposed infrastructure or
14 capital project in excess of \$50,000 within a reasonable time.

15 Section 70. Dissolution.

16 (a) After a public hearing on the subject of dissolution,
17 the governing body may dissolve by ordinance any business
18 improvement district in either of the following circumstances:

19 (1) If the governing body finds there has been
20 misappropriation of funds, malfeasance, or a violation of
21 law in connection with the management of the business
22 improvement district; or

23 (2) Each year during the term of the business
24 improvement district, there shall be a 60-day period in
25 which property owners who paid more than 50% of the total

1 of district charges levied in the prior year may request
2 dissolution of a business improvement district by a
3 written petition that conforms to the petition signature
4 requirements set forth in Section 75. The first period
5 shall begin 60 days prior to one year after the date of
6 establishment of the district and shall continue for 60
7 days. The next 60-day period shall begin 60 days prior to 2
8 years after the date of the establishment of the district.
9 Each successive year during the term of the district shall
10 have a 60-day period beginning 60 days after the
11 anniversary of the date of the establishment of the
12 district.

13 (b) The governing body shall adopt a resolution of
14 intention to dissolve the business improvement district prior
15 to a public hearing required by this section. The resolution
16 shall state the reason for the dissolution, shall state the
17 time and place of the public hearing, and shall contain a
18 proposal to dispose of any assets acquired with the revenues
19 of district charges levied on behalf of the business
20 improvement district in accordance with subsection (d).

21 (c) Notice shall be given and public hearings shall be
22 held in accordance with Sections 80 and 85.

23 (d) Upon the dissolution or expiration without renewal of
24 a district, and after all outstanding debts are paid, any
25 remaining revenues derived from the levy of district charges,
26 including any remaining revenues from district charges

1 collected after dissolution, or derived from the sale of
2 assets acquired with these revenues or construction funds,
3 shall be either: (i) refunded to the property owners then
4 located or operating within the business improvement district
5 in which district charges were levied by applying the same
6 method and basis that was used to calculate the district
7 charges levied in the fiscal year in which the district
8 dissolves or expires; or (ii) spent on activities or
9 improvements specified in the district plan under a valid and
10 enforceable contract executed by the board of directors of a
11 business improvement district or the district management
12 association, whichever may be applicable, prior to the
13 dissolution. If the dissolution occurs before district charges
14 are levied for the fiscal year, the method and basis that was
15 used to calculate district charges levied in the immediate
16 prior fiscal year shall be used to calculate the amount of any
17 refund.

18 Section 75. Petition signature requirements. Any petition
19 required by this Act must be signed by property owners in the
20 proposed business improvement district or proposed expanded
21 area of a business improvement district, as the case may be,
22 who cumulatively are expected to pay more than 50% of the total
23 amount of the district charges proposed to be levied. All
24 signatures for a petition to establish or expand a business
25 improvement district must be collected within a period ending

1 no more than 120 days from the initiation of the petition,
2 which date shall be specified on the petition.

3 Section 80. Manner of notice. In addition to any notice of
4 a public hearing issued by a governing body, the property
5 owner or owners who submit the written petition to the clerk
6 under Section 30 or, after a business improvement district is
7 established, the board of directors of a business improvement
8 district shall also provide notice of a public hearing
9 required under this Act. The notice of the public hearing
10 shall be given by publication and mailing. When notice by
11 publication is required, it shall be provided in both physical
12 and online form in a newspaper of general circulation within
13 the business improvement district at least once not less than
14 15 days prior to the public hearing. The notice must, in
15 addition, be published on the website of the business
16 improvement district or its district management association,
17 if the district or association has a website. Notice by
18 mailing shall be given by depositing the notice in the United
19 States mail addressed to each property owner subject to a
20 district charge, as well as all members of the board of
21 directors. The notice must, in addition, be electronically
22 mailed if an electronic mailing address is known for each
23 owner subject to a district charge as well as all members of
24 the board of directors. Notice shall be mailed and
25 electronically mailed not less than 14 days prior to the time

1 set for the public hearing. The mailed and electronically
2 mailed notice shall enclose or include information allowing a
3 property owner to obtain a copy of any proposed district plan
4 or proposed amended district plan.

5 Section 85. Public hearings. At a public hearing held
6 pursuant to this Act, any interested person, including all
7 property owners owning real property located within a proposed
8 or existing business improvement district, may file with the
9 clerk written objections to or statements in support of, and
10 may be heard orally, with respect to any matter embodied in the
11 district plan or concerning the management of the business
12 improvement district. The governing body shall hear and
13 consider all statements and objections at the public hearing.
14 The governing body may adjourn a public hearing to another
15 date without further notice other than a motion fixing the
16 time and place the public hearing will reconvene.

17 Section 90. Existing law. This Act provides an alternative
18 method of financing certain activities and improvements. The
19 provisions of this Act do not affect or limit any other
20 provisions of law authorizing or providing for the furnishing
21 of activities or improvements or the raising of revenue for
22 these purposes. Every special service area established
23 pursuant to the Special Service Area Tax Law is unaffected by
24 this Act.

1 Section 95. Contesting validity. The validity of a
2 business improvement district created or amended, district
3 plan established, or district charge imposed under this Act
4 may not be contested in any action or proceeding unless the
5 action or proceeding is commenced: (1) within 30 days after
6 the formation ordinance is adopted; (2) with respect to
7 amendments under Section 65, within 30 days after an amendment
8 has been approved; or (3) with respect to district charges
9 imposed under this Act, within 30 days after receipt of the
10 bill containing the district charge. If a party appeals a
11 final judgment, the party filing the appeal shall request
12 discretionary acceleration under Supreme Court Rule 311(b).

13 Section 999. Effective date. This Act takes effect upon
14 becoming law.