

August 27, 2004

To the Honorable Members of the  
Illinois House of Representatives  
93<sup>rd</sup> General Assembly

As drafted, House Bill 826 will allow corporate authorities to impose up to a 1% sales tax to pay for the implementation of business district redevelopment plans in blighted areas. However, the bill authorizes the sales tax increase without a referendum. Pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return House Bill 826 entitled "AN ACT in relation to municipal government," with the following specific recommendations for change:

on page 4, line 9, by deleting "by ordinance"; and

on page 5, immediately below line 19, by inserting the following:

"(5) Any tax imposed under subsection (12) or (13) of Section 11-74.3-3 may not be levied until the question of levying the tax has been submitted to the electors of the municipality at a regular election and approved by a majority of the electors voting on the question. The corporate authorities must certify the question to the proper election authority, which must submit the question at an election in accordance with the Election Code.

The election authority must submit the question concerning the tax under subsection (12) of Section 11-74.3-3 in substantially the following form:

Shall the corporate authorities of (name of municipality) be authorized to levy a retailers' occupation tax and a service occupation tax in the (business district) at a rate of (rate) % for the planning, execution, and implementation of business district plans and to pay the business district project costs as set forth in the business district plan approved by the municipality.

The election authority must submit the question concerning the tax under subsection (13) of Section 11-74.3-3 in substantially the following form:

Shall the corporate authorities of (name of municipality) be authorized to levy a hotel operators' occupation tax in the (business district) at a rate of (rate) % for the planning, execution, and implementation of business district plans and to pay the business district project costs as set forth in the business district plan approved by the municipality.

The election authority must record the votes as "Yes" or "No".

If a majority of the electors voting on the question vote in the affirmative, the corporate authorities may thereafter levy the tax."; and

on page 6, line 15, by changing "by ordinance or resolution, impose" to "after approval at a referendum conducted in accordance with item (5) of Section 11-74.3-5, impose, under the authority granted by subsection (12) of Section 11-74.3-3,"; and

on page 14, line 25, by changing "By ordinance," to "After approval at a referendum conducted in accordance with item (5) of Section 11-74.3-5,"

on page 14, line 26, after "impose", by inserting ", under the authority granted by subsection (13) of Section 11-74.3-3,".

With these changes, House Bill 826 will have my approval. I respectfully request your concurrence.

Sincerely,

ROD R. BLAGOJEVICH  
Governor