



Sen. James F. Clayborne Jr.

Filed: 5/11/2004

09300HB0826sam001

LRB093 05628 MKM 50255 a

1 AMENDMENT TO HOUSE BILL 826

2 AMENDMENT NO. _____. Amend House Bill 826 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 changing Sections 8-11-6a and 11-74.3-3 and by adding Sections
6 11-74.3-5 and 11-74.3-6 as follows:

7 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

8 Sec. 8-11-6a. Home rule municipalities; preemption of
9 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
10 8-11-6, ~~and~~ 8-11-6b, and 11-74.3-6 on and after September 1,
11 1990, no home rule municipality has the authority to impose,
12 pursuant to its home rule authority, a retailer's occupation
13 tax, service occupation tax, use tax, sales tax or other tax on
14 the use, sale or purchase of tangible personal property based
15 on the gross receipts from such sales or the selling or
16 purchase price of said tangible personal property.
17 Notwithstanding the foregoing, this Section does not preempt
18 any home rule imposed tax such as the following: (1) a tax on
19 alcoholic beverages, whether based on gross receipts, volume
20 sold or any other measurement; (2) a tax based on the number of
21 units of cigarettes or tobacco products (provided, however,
22 that a home rule municipality that has not imposed a tax based
23 on the number of units of cigarettes or tobacco products before
24 July 1, 1993, shall not impose such a tax after that date); (3)

1 a tax, however measured, based on the use of a hotel or motel
2 room or similar facility; (4) a tax, however measured, on the
3 sale or transfer of real property; (5) a tax, however measured,
4 on lease receipts; (6) a tax on food prepared for immediate
5 consumption and on alcoholic beverages sold by a business which
6 provides for on premise consumption of said food or alcoholic
7 beverages; or (7) other taxes not based on the selling or
8 purchase price or gross receipts from the use, sale or purchase
9 of tangible personal property. This Section is not intended to
10 affect any existing tax on food and beverages prepared for
11 immediate consumption on the premises where the sale occurs, or
12 any existing tax on alcoholic beverages, or any existing tax
13 imposed on the charge for renting a hotel or motel room, which
14 was in effect January 15, 1988, or any extension of the
15 effective date of such an existing tax by ordinance of the
16 municipality imposing the tax, which extension is hereby
17 authorized, in any non-home rule municipality in which the
18 imposition of such a tax has been upheld by judicial
19 determination, nor is this Section intended to preempt the
20 authority granted by Public Act 85-1006. This Section is a
21 limitation, pursuant to subsection (g) of Section 6 of Article
22 VII of the Illinois Constitution, on the power of home rule
23 units to tax.

24 (Source: P.A. 91-51, eff. 6-30-99.)

25 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

26 Sec. 11-74.3-3. In carrying out a business district
27 development or redevelopment plan, the corporate authorities
28 of each municipality shall have the following powers:

29 (1) To approve all development and redevelopment
30 proposals for a business district.

31 (2) To exercise the use of eminent domain for the
32 acquisition of real and personal property for the purpose
33 of a development or redevelopment project.

1 (3) To acquire, manage, convey or otherwise dispose of
2 real and personal property according to the provisions of a
3 development or redevelopment plan.

4 (4) To apply for and accept capital grants and loans
5 from the United States and the State of Illinois, or any
6 instrumentality of the United States or the State, for
7 business district development and redevelopment.

8 (5) To borrow funds as it may be deemed necessary for
9 the purpose of business district development and
10 redevelopment, and in this connection issue such
11 obligation or revenue bonds as it shall be deemed
12 necessary, subject to applicable statutory limitations.

13 (6) To enter into contracts with any public or private
14 agency or person.

15 (7) To sell, lease, trade or improve real property in
16 connection with business district development and
17 redevelopment plans.

18 (8) To employ all such persons as may be necessary for
19 the planning, administration and implementation of
20 business district plans.

21 (9) To expend such public funds as may be necessary for
22 the planning, execution and implementation of the business
23 district plans.

24 (10) To establish by ordinance or resolution
25 procedures for the planning, execution and implementation
26 of business district plans.

27 (11) To create a Business District Development and
28 Redevelopment Commission to act as agent for the
29 municipality for the purposes of business district
30 development and redevelopment.

31 (12) To impose a retailers' occupation tax and a
32 service occupation tax in the business district for the
33 planning, execution, and implementation of business
34 district plans and to pay for business district project

1 costs as set forth in the business district plan approved
2 by the municipality.

3 (13) To impose a hotel operators' occupation tax in the
4 business district for the planning, execution, and
5 implementation of business district plans and to pay for
6 the business district project costs as set forth in the
7 business district plan approved by the municipality.

8 (14) To issue obligations in one or more series bearing
9 interest at rates determined by the corporate authorities
10 of the municipality by ordinance and secured by the
11 business district tax allocation fund set forth in Section
12 11-74.3-6 for the business district to provide for the
13 payment of business district project costs.

14 This amendatory Act of the 91st General Assembly is
15 declarative of existing law and is not a new enactment.

16 (Source: P.A. 91-418, eff. 1-1-00.)

17 (65 ILCS 5/11-74.3-5 new)

18 Sec. 11-74.3-5. Business district; additional procedures
19 for designation of district and approval of development or
20 redevelopment plan. If the corporate authorities of a
21 municipality desire to impose a tax by ordinance pursuant to
22 subsection (12) or (13) of Section 11-74.3-3, the following
23 additional procedures shall apply to the designation of the
24 business district and the approval of the business district
25 development or redevelopment plan:

26 (1) The corporate authorities of the municipality
27 shall hold public hearings at least one week prior to
28 designation of the business district and approval of the
29 business district development or redevelopment plan.

30 (2) The area proposed to be designated as a business
31 district must be contiguous and must include only parcels
32 of real property directly and substantially benefited by
33 the proposed business district development or

1 redevelopment plan.

2 (3) The corporate authorities of the municipality
3 shall make a formal finding of the following: (i) the
4 business district is a blighted area that, by reason of the
5 predominance of defective or inadequate street layout,
6 unsanitary or unsafe conditions, deterioration of site
7 improvements, improper subdivision or obsolete platting,
8 or the existence of conditions which endanger life or
9 property by fire or other causes, or any combination of
10 those factors, retards the provision of housing
11 accommodations or constitutes an economic or social
12 liability or a menace to the public health, safety, morals,
13 or welfare in its present condition and use; and (ii) the
14 business district on the whole has not been subject to
15 growth and development through investment by private
16 enterprises or would not reasonably be anticipated to be
17 developed or redeveloped without the adoption of the
18 business district development or redevelopment plan.

19 (4) The proposed business district development or
20 redevelopment plan shall set forth in writing: (i) a
21 specific description of the proposed boundaries of the
22 district, including a map illustrating the boundaries;
23 (ii) a general description of each project proposed to be
24 undertaken within the business district, including a
25 description of the approximate location of each project;
26 (iii) the name of the proposed business district; (iv) the
27 estimated business district project costs; (v) the
28 anticipated source of funds to pay business district
29 project costs; (vi) the anticipated type and terms of any
30 obligations to be issued; and (vii) the rate of any tax to
31 be imposed pursuant to subsection (12) or (13) of Section
32 11-74.3-3 and the period of time for which the tax shall be
33 imposed.

1 (65 ILCS 5/11-74.3-6 new)

2 Sec. 11-74.3-6. Business district revenue and obligations.

3 (a) If the corporate authorities of a municipality have
4 approved a business district development or redevelopment plan
5 and have elected to impose a tax by ordinance pursuant to
6 subsections (b), (c), or (d) of this Section, each year after
7 the date of the approval of the ordinance and until all
8 business district project costs and all municipal obligations
9 financing the business district project costs, if any, have
10 been paid in accordance with the business district development
11 or redevelopment plan, but in no event longer than 23 years
12 after the date of adoption of the ordinance approving the
13 business district development or redevelopment plan, all
14 amounts generated by the retailers' occupation tax and service
15 occupation tax shall be collected and the tax shall be enforced
16 by the Department of Revenue in the same manner as all
17 retailers' occupation taxes and service occupation taxes
18 imposed in the municipality imposing the tax and all amounts
19 generated by the hotel operators' occupation tax shall be
20 collected and the tax shall be enforced by the municipality in
21 the same manner as all hotel operators' occupation taxes
22 imposed in the municipality imposing the tax. The corporate
23 authorities of the municipality shall deposit the proceeds of
24 the taxes imposed under subsections (b), (c), and (d) into a
25 special fund held by the corporate authorities of the
26 municipality called the Business District Tax Allocation Fund
27 for the purpose of paying business district project costs and
28 obligations incurred in the payment of those costs.

29 (b) The corporate authorities of a municipality that has
30 established a business district under this Division 74.3 may,
31 by ordinance or resolution, impose a Business District
32 Retailers' Occupation Tax upon all persons engaged in the
33 business of selling tangible personal property, other than an
34 item of tangible personal property titled or registered with an

1 agency of this State's government, at retail in the business
2 district at a rate not to exceed 1% of the gross receipts from
3 the sales made in the course of such business, to be imposed
4 only in 0.25% increments. The tax may not be imposed on food
5 for human consumption that is to be consumed off the premises
6 where it is sold (other than alcoholic beverages, soft drinks,
7 and food that has been prepared for immediate consumption) and
8 prescription and nonprescription medicines, drugs, medical
9 appliances, modifications to a motor vehicle for the purpose of
10 rendering it usable by a disabled person, and insulin, urine
11 testing materials, syringes, and needles used by diabetics, for
12 human use.

13 The tax imposed under this subsection and all civil
14 penalties that may be assessed as an incident thereof shall be
15 collected and enforced by the Department of Revenue. The
16 certificate of registration that is issued by the Department to
17 a retailer under the Retailers' Occupation Tax Act shall permit
18 the retailer to engage in a business that is taxable under any
19 ordinance or resolution enacted pursuant to this subsection
20 without registering separately with the Department under such
21 ordinance or resolution or under this subsection. The
22 Department of Revenue shall have full power to administer and
23 enforce this subsection; to collect all taxes and penalties due
24 under this subsection in the manner hereinafter provided; and
25 to determine all rights to credit memoranda arising on account
26 of the erroneous payment of tax or penalty under this
27 subsection. In the administration of, and compliance with, this
28 subsection, the Department and persons who are subject to this
29 subsection shall have the same rights, remedies, privileges,
30 immunities, powers and duties, and be subject to the same
31 conditions, restrictions, limitations, penalties, exclusions,
32 exemptions, and definitions of terms and employ the same modes
33 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
34 through 2-65 (in respect to all provisions therein other than

1 the State rate of tax), 2c through 2h, 3 (except as to the
2 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
3 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
4 12, 13, and 14 of the Retailers' Occupation Tax Act and all
5 provisions of the Uniform Penalty and Interest Act, as fully as
6 if those provisions were set forth herein.

7 Persons subject to any tax imposed under this subsection
8 may reimburse themselves for their seller's tax liability under
9 this subsection by separately stating the tax as an additional
10 charge, which charge may be stated in combination, in a single
11 amount, with State taxes that sellers are required to collect
12 under the Use Tax Act, in accordance with such bracket
13 schedules as the Department may prescribe.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified and to the person named in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the business district retailers' occupation
21 tax fund.

22 The Department shall immediately pay over to the State
23 Treasurer, ex officio, as trustee, all taxes, penalties, and
24 interest collected under this subsection for deposit into the
25 business district retailers' occupation tax fund. On or before
26 the 25th day of each calendar month, the Department shall
27 prepare and certify to the Comptroller the disbursement of
28 stated sums of money to named municipalities from the business
29 district retailers' occupation tax fund, the municipalities to
30 be those from which retailers have paid taxes or penalties
31 under this subsection to the Department during the second
32 preceding calendar month. The amount to be paid to each
33 municipality shall be the amount (not including credit
34 memoranda) collected under this subsection during the second

1 preceding calendar month by the Department plus an amount the
2 Department determines is necessary to offset any amounts that
3 were erroneously paid to a different taxing body, and not
4 including an amount equal to the amount of refunds made during
5 the second preceding calendar month by the Department, less 2%
6 of that amount, which shall be deposited into the Tax
7 Compliance and Administration Fund and shall be used by the
8 Department, subject to appropriation, to cover the costs of the
9 Department in administering and enforcing the provisions of
10 this subsection, on behalf of such municipality, and not
11 including any amount that the Department determines is
12 necessary to offset any amounts that were payable to a
13 different taxing body but were erroneously paid to the
14 municipality. Within 10 days after receipt by the Comptroller
15 of the disbursement certification to the municipalities
16 provided for in this subsection to be given to the Comptroller
17 by the Department, the Comptroller shall cause the orders to be
18 drawn for the respective amounts in accordance with the
19 directions contained in the certification. The proceeds of the
20 tax paid to municipalities under this subsection shall be
21 deposited into the Business District Tax Allocation Fund by the
22 municipality.

23 An ordinance or resolution imposing or discontinuing the
24 tax under this subsection or effecting a change in the rate
25 thereof shall either (i) be adopted and a certified copy
26 thereof filed with the Department on or before the first day of
27 April, whereupon the Department, if all other requirements of
28 this subsection are met, shall proceed to administer and
29 enforce this subsection as of the first day of July next
30 following the adoption and filing; or (ii) be adopted and a
31 certified copy thereof filed with the Department on or before
32 the first day of October, whereupon, if all other requirements
33 of this subsection are met, the Department shall proceed to
34 administer and enforce this subsection as of the first day of

1 January next following the adoption and filing.

2 The Department of Revenue shall not administer or enforce
3 an ordinance imposing, discontinuing, or changing the rate of
4 the tax under this subsection, until the municipality also
5 provides, in the manner prescribed by the Department, the
6 boundaries of the business district in such a way that the
7 Department can determine by its address whether a business is
8 located in the business district. The municipality must provide
9 this boundary information to the Department on or before April
10 1 for administration and enforcement of the tax under this
11 subsection by the Department beginning on the following July 1
12 and on or before October 1 for administration and enforcement
13 of the tax under this subsection by the Department beginning on
14 the following January 1. The Department of Revenue shall not
15 administer or enforce any change made to the boundaries of a
16 business district until the municipality reports the boundary
17 change to the Department in the manner prescribed by the
18 Department. The municipality must provide this boundary change
19 information to the Department on or before April 1 for
20 administration and enforcement by the Department of the change
21 beginning on the following July 1 and on or before October 1
22 for administration and enforcement by the Department of the
23 change beginning on the following January 1. The retailers in
24 the business district shall be responsible for charging the tax
25 imposed under this subsection. If a retailer is incorrectly
26 included or excluded from the list of those required to collect
27 the tax under this subsection, both the Department of Revenue
28 and the retailer shall be held harmless if they reasonably
29 relied on information provided by the municipality.

30 A municipality that imposes the tax under this subsection
31 must submit to the Department of Revenue any other information
32 as the Department may require for the administration and
33 enforcement of the tax.

34 When certifying the amount of a monthly disbursement to a

1 municipality under this subsection, the Department shall
2 increase or decrease the amount by an amount necessary to
3 offset any misallocation of previous disbursements. The offset
4 amount shall be the amount erroneously disbursed within the
5 previous 6 months from the time a misallocation is discovered.

6 Nothing in this subsection shall be construed to authorize
7 the municipality to impose a tax upon the privilege of engaging
8 in any business which under the Constitution of the United
9 States may not be made the subject of taxation by this State.

10 If a tax is imposed under this subsection (b), a tax shall
11 also be imposed under subsection (c) of this Section.

12 (c) If a tax has been imposed under subsection (b), a
13 Business District Service Occupation Tax shall also be imposed
14 upon all persons engaged, in the business district, in the
15 business of making sales of service, who, as an incident to
16 making those sales of service, transfer tangible personal
17 property within the business district, either in the form of
18 tangible personal property or in the form of real estate as an
19 incident to a sale of service. The tax shall be imposed at the
20 same rate as the tax imposed in subsection (b) and shall not
21 exceed 1% of the selling price of tangible personal property so
22 transferred within the business district, to be imposed only in
23 0.25% increments. The tax may not be imposed on food for human
24 consumption that is to be consumed off the premises where it is
25 sold (other than alcoholic beverages, soft drinks, and food
26 that has been prepared for immediate consumption) and
27 prescription and nonprescription medicines, drugs, medical
28 appliances, modifications to a motor vehicle for the purpose of
29 rendering it usable by a disabled person, and insulin, urine
30 testing materials, syringes, and needles used by diabetics, for
31 human use.

32 The tax imposed under this subsection and all civil
33 penalties that may be assessed as an incident thereof shall be
34 collected and enforced by the Department of Revenue. The

1 certificate of registration which is issued by the Department
2 to a retailer under the Retailers' Occupation Tax Act or under
3 the Service Occupation Tax Act shall permit such registrant to
4 engage in a business which is taxable under any ordinance or
5 resolution enacted pursuant to this subsection without
6 registering separately with the Department under such
7 ordinance or resolution or under this subsection. The
8 Department of Revenue shall have full power to administer and
9 enforce this subsection; to collect all taxes and penalties due
10 under this subsection; to dispose of taxes and penalties so
11 collected in the manner hereinafter provided; and to determine
12 all rights to credit memoranda arising on account of the
13 erroneous payment of tax or penalty under this subsection. In
14 the administration of, and compliance with this subsection, the
15 Department and persons who are subject to this subsection shall
16 have the same rights, remedies, privileges, immunities, powers
17 and duties, and be subject to the same conditions,
18 restrictions, limitations, penalties, exclusions, exemptions,
19 and definitions of terms and employ the same modes of procedure
20 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
21 (in respect to all provisions therein other than the State rate
22 of tax), 4 (except that the reference to the State shall be to
23 the business district), 5, 7, 8 (except that the jurisdiction
24 to which the tax shall be a debt to the extent indicated in
25 that Section 8 shall be the municipality), 9 (except as to the
26 disposition of taxes and penalties collected, and except that
27 the returned merchandise credit for this tax may not be taken
28 against any State tax), 10, 11, 12 (except the reference
29 therein to Section 2b of the Retailers' Occupation Tax Act), 13
30 (except that any reference to the State shall mean the
31 municipality), the first paragraph of Section 15, and Sections
32 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all
33 provisions of the Uniform Penalty and Interest Act, as fully as
34 if those provisions were set forth herein.

1 Persons subject to any tax imposed under the authority
2 granted in this subsection may reimburse themselves for their
3 serviceman's tax liability hereunder by separately stating the
4 tax as an additional charge, which charge may be stated in
5 combination, in a single amount, with State tax that servicemen
6 are authorized to collect under the Service Use Tax Act, in
7 accordance with such bracket schedules as the Department may
8 prescribe.

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

17 The Department shall forthwith pay over to the State
18 Treasurer, ex-officio, as trustee, all taxes, penalties, and
19 interest collected under this subsection for deposit into the
20 business district retailers' occupation tax fund. On or before
21 the 25th day of each calendar month, the Department shall
22 prepare and certify to the Comptroller the disbursement of
23 stated sums of money to named municipalities from the business
24 district retailers' occupation tax fund, the municipalities to
25 be those from which suppliers and servicemen have paid taxes or
26 penalties under this subsection to the Department during the
27 second preceding calendar month. The amount to be paid to each
28 municipality shall be the amount (not including credit
29 memoranda) collected under this subsection during the second
30 preceding calendar month by the Department, less 2% of that
31 amount, which shall be deposited into the Tax Compliance and
32 Administration Fund and shall be used by the Department,
33 subject to appropriation, to cover the costs of the Department
34 in administering and enforcing the provisions of this

1 subsection, and not including an amount equal to the amount of
2 refunds made during the second preceding calendar month by the
3 Department on behalf of such municipality. Within 10 days after
4 receipt, by the Comptroller, of the disbursement certification
5 to the municipalities, provided for in this subsection to be
6 given to the Comptroller by the Department, the Comptroller
7 shall cause the orders to be drawn for the respective amounts
8 in accordance with the directions contained in such
9 certification. The proceeds of the tax paid to municipalities
10 under this subsection shall be deposited into the Business
11 District Tax Allocation Fund by the municipality.

12 An ordinance or resolution imposing or discontinuing the
13 tax under this subsection or effecting a change in the rate
14 thereof shall either (i) be adopted and a certified copy
15 thereof filed with the Department on or before the first day of
16 April, whereupon the Department, if all other requirements of
17 this subsection are met, shall proceed to administer and
18 enforce this subsection as of the first day of July next
19 following the adoption and filing; or (ii) be adopted and a
20 certified copy thereof filed with the Department on or before
21 the first day of October, whereupon, if all other conditions of
22 this subsection are met, the Department shall proceed to
23 administer and enforce this subsection as of the first day of
24 January next following the adoption and filing.

25 The Department of Revenue shall not administer or enforce
26 an ordinance imposing, discontinuing, or changing the rate of
27 the tax under this subsection, until the municipality also
28 provides, in the manner prescribed by the Department, the
29 boundaries of the business district in such a way that the
30 Department can determine by its address whether a business is
31 located in the business district. The municipality must provide
32 this boundary information to the Department on or before April
33 1 for administration and enforcement of the tax under this
34 subsection by the Department beginning on the following July 1

1 and on or before October 1 for administration and enforcement
2 of the tax under this subsection by the Department beginning on
3 the following January 1. The Department of Revenue shall not
4 administer or enforce any change made to the boundaries of a
5 business district until the municipality reports the boundary
6 change to the Department in the manner prescribed by the
7 Department. The municipality must provide this boundary change
8 information to the Department on or before April 1 for
9 administration and enforcement by the Department of the change
10 beginning on the following July 1 and on or before October 1
11 for administration and enforcement by the Department of the
12 change beginning on the following January 1. The retailers in
13 the business district shall be responsible for charging the tax
14 imposed under this subsection. If a retailer is incorrectly
15 included or excluded from the list of those required to collect
16 the tax under this subsection, both the Department of Revenue
17 and the retailer shall be held harmless if they reasonably
18 relied on information provided by the municipality.

19 A municipality that imposes the tax under this subsection
20 must submit to the Department of Revenue any other information
21 as the Department may require for the administration and
22 enforcement of the tax.

23 Nothing in this subsection shall be construed to authorize
24 the municipality to impose a tax upon the privilege of engaging
25 in any business which under the Constitution of the United
26 States may not be made the subject of taxation by the State.

27 If a tax is imposed under this subsection (c), a tax shall
28 also be imposed under subsection (b) of this Section.

29 (d) By ordinance, a municipality that has established a
30 business district under this Division 74.3 may impose an
31 occupation tax upon all persons engaged in the business
32 district in the business of renting, leasing, or letting rooms
33 in a hotel, as defined in the Hotel Operators' Occupation Tax
34 Act, at a rate not to exceed 1% of the gross rental receipts

1 from the renting, leasing, or letting of hotel rooms within the
2 business district, to be imposed only in 0.25% increments,
3 excluding, however, from gross rental receipts the proceeds of
4 renting, leasing, or letting to permanent residents of a hotel,
5 as defined in the Hotel Operators' Occupation Tax Act, and
6 proceeds from the tax imposed under subsection (c) of Section
7 13 of the Metropolitan Pier and Exposition Authority Act.

8 The tax imposed by the municipality under this subsection
9 and all civil penalties that may be assessed as an incident to
10 that tax shall be collected and enforced by the municipality
11 imposing the tax. The municipality shall have full power to
12 administer and enforce this subsection, to collect all taxes
13 and penalties due under this subsection, to dispose of taxes
14 and penalties so collected in the manner provided in this
15 subsection, and to determine all rights to credit memoranda
16 arising on account of the erroneous payment of tax or penalty
17 under this subsection. In the administration of and compliance
18 with this subsection, the municipality and persons who are
19 subject to this subsection shall have the same rights,
20 remedies, privileges, immunities, powers, and duties, shall be
21 subject to the same conditions, restrictions, limitations,
22 penalties, and definitions of terms, and shall employ the same
23 modes of procedure as are employed with respect to a tax
24 adopted by the municipality under Section 8-3-14 of this Code.

25 Persons subject to any tax imposed under the authority
26 granted in this subsection may reimburse themselves for their
27 tax liability for that tax by separately stating that tax as an
28 additional charge, which charge may be stated in combination,
29 in a single amount, with State taxes imposed under the Hotel
30 Operators' Occupation Tax Act, and with any other tax.

31 Nothing in this subsection shall be construed to authorize
32 a municipality to impose a tax upon the privilege of engaging
33 in any business which under the Constitution of the United
34 States may not be made the subject of taxation by this State.

1 The proceeds of the tax imposed under this subsection shall
2 be deposited into the Business District Tax Allocation Fund.

3 (e) Obligations issued pursuant to subsection (14) of
4 Section 11-74.3-3 shall be retired in the manner provided in
5 the ordinance authorizing the issuance of those obligations by
6 the receipts of taxes levied as authorized in subsections (12)
7 and (13) of Section 11-74.3-3. The ordinance shall pledge all
8 of the amounts in and to be deposited in the Business District
9 Tax Allocation Fund to the payment of business district project
10 costs and obligations. Obligations issued pursuant to
11 subsection (14) of Section 11-74.3-3 may be sold at public or
12 private sale at a price determined by the corporate authorities
13 of the municipality and no referendum approval of the electors
14 shall be required as a condition to the issuance of those
15 obligations. The ordinance authorizing the obligations may
16 require that the obligations contain a recital that they are
17 issued pursuant to subsection (14) of Section 11-74.3-3 and
18 this recital shall be conclusive evidence of their validity and
19 of the regularity of their issuance. The corporate authorities
20 of the municipality may also issue its obligations to refund,
21 in whole or in part, obligations previously issued by the
22 municipality under the authority of this Code, whether at or
23 prior to maturity. All obligations issued pursuant to
24 subsection (14) of Section 11-74.3-3 shall not be regarded as
25 indebtedness of the municipality issuing the obligations for
26 the purpose of any limitation imposed by law.

27 (f) When business district costs, including, without
28 limitation, all municipal obligations financing business
29 district project costs incurred under Section 11-74.3-3 have
30 been paid, any surplus funds then remaining in the Business
31 District Tax Allocation Fund shall be distributed to the
32 municipal treasurer for deposit into the municipal general
33 corporate fund. Upon payment of all business district project
34 costs and retirement of obligations, but in no event more than

1 23 years after the date of adoption of the ordinance approving
2 the business district development or redevelopment plan, the
3 municipality shall adopt an ordinance immediately rescinding
4 the taxes imposed pursuant to subsections (12) and (13) of
5 Section 11-74.3-3.

6 Section 99. Effective date. This Act takes effect on
7 January 1, 2005.".