



## 93RD GENERAL ASSEMBLY

### State of Illinois

#### 2003 and 2004

Introduced 2/6/2004, by James F. Clayborne Jr.

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.3-3 from Ch. 24, par. 11-74.3-3  
65 ILCS 5/11-74.3-5 new  
65 ILCS 5/11-74.3-6 new

Amends the Illinois Municipal Code. Authorizes a municipality carrying out a business district development or redevelopment plan to impose a tax on the retail sale of tangible personal property and the sale or charge for a sleeping room, not to exceed 1% of the selling price of the tangible personal property or the charge for the sleeping room and only to be imposed in 0.25% increments. Requires a municipality imposing these taxes to follow certain additional procedures in applying for designation as a business district and approval of a business district development or redevelopment plan. Requires that the revenue generated by the tax be deposited into the municipality's Business District Tax Allocation Fund. Authorizes a municipality to issue obligations in one or more series bearing interest at rates determined by the corporate authorities of the municipality by ordinance and secured by the Business District Tax Allocation Fund. Requires the ordinance (i) to pledge any amounts in and to be deposited into the Business District Tax Allocation Fund for the payment of business district costs and obligations and (ii) to contain certain recitals. Authorizes the public or private sale of the obligations and the issuance of obligations to refund previously issued obligations. Upon payment of all business district costs, requires all surplus funds to be deposited into the general corporate fund. Requires the corporate authorities of the municipality to adopt an ordinance immediately rescinding the tax when all business district costs and obligations have been paid. Effective immediately.

LRB093 18852 MKM 44587 b

1 AN ACT concerning municipalities.

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 11-74.3-3 and by adding Sections 11-74.3-5 and  
6 11-74.3-6 as follows:

7 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

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

11 (1) To approve all development and redevelopment  
12 proposals for a business district.

13 (2) To exercise the use of eminent domain for the  
14 acquisition of real and personal property for the purpose  
15 of a development or redevelopment project.

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

19 (4) To apply for and accept capital grants and loans  
20 from the United States and the State of Illinois, or any  
21 instrumentality of the United States or the State, for  
22 business district development and redevelopment.

23 (5) To borrow funds as it may be deemed necessary for  
24 the purpose of business district development and  
25 redevelopment, and in this connection issue such  
26 obligation or revenue bonds as it shall be deemed  
27 necessary, subject to applicable statutory limitations.

28 (6) To enter into contracts with any public or private  
29 agency or person.

30 (7) To sell, lease, trade or improve real property in  
31 connection with business district development and  
32 redevelopment plans.

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

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

7 (10) To establish by ordinance or resolution  
8 procedures for the planning, execution and implementation  
9 of business district plans.

10 (11) To create a Business District Development and  
11 Redevelopment Commission to act as agent for the  
12 municipality for the purposes of business district  
13 development and redevelopment.

14 (12) To impose a tax on the retail sale of tangible  
15 personal property and the sale or charge for a sleeping  
16 room paid by a transient guest of a hotel or motel, based  
17 on the selling price or charge, not to exceed 1% of the  
18 selling price of the tangible personal property or the  
19 charge for the sleeping room and to be imposed only in  
20 0.25% increments, within a business district, for the  
21 planning, execution, and implementation of business  
22 district plans and to pay for business district project  
23 costs as set forth in the business district plan approved  
24 by the municipality.

25 (13) To issue obligations in one or more series bearing  
26 interest at rates determined by the corporate authorities  
27 of the municipality by ordinance and secured by the  
28 business district tax allocation fund set forth in Section  
29 11-74.3-6 for the business district to provide for the  
30 payment of business district project costs.

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

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

34 (65 ILCS 5/11-74.3-5 new)

35 Sec. 11-74.3-5. Business district; additional procedures

1 for designation of district and approval of development or  
2 redevelopment plan. If the corporate authorities of a  
3 municipality desire to impose a tax by ordinance pursuant to  
4 subsection (12) of Section 11-74.3-3, the following additional  
5 procedures shall apply to the designation of the business  
6 district and the approval of the business district development  
7 or redevelopment plan:

8 (1) The corporate authorities of the municipality  
9 shall hold public hearings at least one week prior to  
10 designation of the business district and approval of the  
11 business district development or redevelopment plan.

12 (2) The area proposed to be designated as tourist  
13 district must be contiguous and must include only parcels  
14 of real property directly and substantially benefited by  
15 the proposed business district development or  
16 redevelopment plan.

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

31 (65 ILCS 5/11-74.3-6 new)

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

33 (a) If the corporate authorities of a municipality have  
34 approved a business district development or redevelopment plan  
35 and have elected to impose a tax by ordinance pursuant to

1 subsection (12) of Section 11-74.3-3, each year after the date  
2 of the approval of the ordinance and until all business  
3 district project costs and all municipal obligations financing  
4 the business district project costs, if any, have been paid in  
5 accordance with the business district development or  
6 redevelopment plan, but in no event longer than 23 years after  
7 the date of adoption of the ordinance approving the business  
8 district development or redevelopment plan, all amounts  
9 generated by the tax shall be collected and the tax shall be  
10 enforced by the Department of Revenue in the same manner as all  
11 retailers' occupation taxes imposed upon persons engaged in the  
12 business of selling tangible personal property at retail in the  
13 municipality imposing the tax. The corporate authorities of the  
14 municipality shall deposit the proceeds of the tax into a  
15 special fund called the Business District Tax Allocation Fund  
16 for the purpose of paying business district project costs and  
17 obligations incurred in the payment of those costs and  
18 obligations.

19 (b) Obligations issued pursuant to subsection (13) of  
20 Section 11-74.3-3 shall be retired in the manner provided in  
21 the ordinance authorizing the issuance of those obligations by  
22 the receipts of taxes levied as specified in subsection (12) of  
23 Section 11-74.3-3 against the retail sale of tangible personal  
24 property in the business district. The ordinance shall pledge  
25 all of the amounts in and to be deposited in the Business  
26 District Tax Allocation Fund to the payment of business  
27 district project costs and obligations. Obligations issued  
28 pursuant to subsection (13) Section 11-74.3-3 may be sold at  
29 public or private sale at a price determined by the corporate  
30 authorities of the municipality and no referendum approval of  
31 the electors shall be required as a condition to the issuance  
32 of those obligations. The ordinance authorizing the  
33 obligations may require that the obligations contain a recital  
34 that they are issued pursuant to subsection (13) of Section  
35 11-74.3-3 and this recital shall be conclusive evidence of  
36 their validity and of the regularity of their issuance. The

1 corporate authorities of the municipality may also issue its  
2 obligations to refund, in whole or in part, obligations  
3 previously issued by the municipality under the authority of  
4 this Code, whether at or prior to maturity. All obligations  
5 issued pursuant to subsection (13) of Section 11-74.3-3 shall  
6 not be regarded as indebtedness of the municipality issuing the  
7 obligations for the purpose of any limitation imposed by law.

8 (c) When business district costs, including, without  
9 limitation, all municipal obligations financing business  
10 district project costs incurred under Section 11-74.3-3 have  
11 been paid, any surplus funds then remaining in the Business  
12 District Tax Allocation Fund shall be distributed to the  
13 municipal treasurer for deposit into the municipal general  
14 corporate fund. Upon payment of all business district project  
15 costs and retirement of obligations, but in no event more than  
16 23 years after the date of adoption of the ordinance approving  
17 the business district development or redevelopment plan, the  
18 municipality shall adopt an ordinance immediately rescinding  
19 the tax imposed pursuant to subsection (12) of Section  
20 11-74.3-3.

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.