

**HB5747**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**HB5747**

by Rep. Dave Winters

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/8-11-20

Amends the Illinois Municipal Code. Provides that certain economic incentive agreements entered into on or after the effective date of this amendatory Act shall not be in effect for more than 15 years.

LRB095 14837 HLH 40777 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 8-11-20 as follows:

6 (65 ILCS 5/8-11-20)

7 Sec. 8-11-20. Economic incentive agreements. The corporate  
8 authorities of a municipality may enter into an economic  
9 incentive agreement relating to the development or  
10 redevelopment of land within the corporate limits of the  
11 municipality. Under this agreement, the municipality may agree  
12 to share or rebate a portion of any retailers' occupation taxes  
13 received by the municipality that were generated by the  
14 development or redevelopment over a finite period of time,  
15 provided that no agreement entered into under this Section on  
16 or after the effective date of this amendatory Act of the 95th  
17 General Assembly may be in effect for more than 15 years.

18 Before entering into the agreement authorized by this Section,  
19 the corporate authorities shall make the following findings:

20 (1) If the property subject to the agreement is vacant:

21 (A) that the property has remained vacant for at least  
22 one year, or

23 (B) that any building located on the property was

1 demolished within the last year and that the building would  
2 have qualified under finding (2) of this Section;

3 (2) If the property subject to the agreement is currently  
4 developed:

5 (A) that the buildings on the property no longer comply  
6 with current building codes, or

7 (B) that the buildings on the property have remained  
8 less than significantly unoccupied or underutilized for a  
9 period of at least one year;

10 (3) That the project is expected to create or retain job  
11 opportunities within the municipality;

12 (4) That the project will serve to further the development  
13 of adjacent areas;

14 (5) That without the agreement, the project would not be  
15 possible;

16 (6) That the developer meets high standards of  
17 creditworthiness and financial strength as demonstrated by one  
18 or more of the following:

19 (A) corporate debenture ratings of BBB or higher by  
20 Standard & Poor's Corporation or Baa or higher by Moody's  
21 Investors Service, Inc.;

22 (B) a letter from a financial institution with assets  
23 of \$10,000,000 or more attesting to the financial strength  
24 of the developer; or

25 (C) specific evidence of equity financing for not less  
26 than 10% of the total project costs;

1           (7) That the project will strengthen the commercial sector  
2 of the municipality;

3           (8) That the project will enhance the tax base of the  
4 municipality; and

5           (9) That the agreement is made in the best interest of the  
6 municipality.

7           (Source: P.A. 92-263, eff. 8-7-01.)