



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

**HB3998**

Introduced 2/26/2009, by Rep. Careen M Gordon

#### SYNOPSIS AS INTRODUCED:

55 ILCS 85/4  
55 ILCS 85/5

from Ch. 34, par. 7004  
from Ch. 34, par. 7005

Amends the County Economic Development Project Area Property Tax Allocation Act. Authorizes Grundy County to establish up to 5 economic development project areas per year (instead of "an economic development project"). Provides that the authority granted under the Act to counties to establish economic development project areas expires on July 1, 2019 (instead of July 1, 2008).

LRB096 10062 RLJ 20227 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 5. The County Economic Development Project Area  
5 Property Tax Allocation Act is amended by changing Sections 4  
6 and 5 as follows:

7 (55 ILCS 85/4) (from Ch. 34, par. 7004)

8 Sec. 4. Establishment of economic development project  
9 area; ordinance; joint review board; notice; hearing; changes  
10 in economic development plan; annual reporting requirements.  
11 Economic development project areas shall be established as  
12 follows:

13 (a) The corporate authorities of Whiteside County may by  
14 ordinance propose the establishment of an economic development  
15 project area and fix a time and place for a public hearing, and  
16 shall submit a certified copy of the ordinance as adopted to  
17 the Department.

18 (a-5) After the effective date of this amendatory Act of  
19 the 93rd General Assembly, the corporate authorities of  
20 Stephenson County may by ordinance propose the establishment of  
21 an economic development project area and fix a time and place  
22 for a public hearing, and shall submit a certified copy of the  
23 ordinance as adopted to the Department.

1 (a-10) The corporate authorities of Grundy County may, by  
2 ordinance, propose the establishment of up to 5 ~~an~~ economic  
3 development project areas per year and fix a time and place for  
4 a public hearing. Upon passage of the ordinance, the corporate  
5 authorities of Grundy County shall submit a certified copy of  
6 the ordinance, as adopted, to the Department.

7 (b) Any county which adopts an ordinance which fixes a  
8 date, time and place for a public hearing shall convene a joint  
9 review board as hereinafter provided. Not less than 45 days  
10 prior to the date fixed for the public hearing, the county  
11 shall give notice by mailing to the chief executive officer of  
12 each affected taxing district having taxable property included  
13 in the proposed economic development project area and, if the  
14 ordinance is adopted by Stephenson County, the chief executive  
15 officer of any municipality within Stephenson County having a  
16 population of more than 20,000 that such chief executive  
17 officer or his designee is invited to participate in a joint  
18 review board. The designee shall serve at the discretion of the  
19 chief executive officer of the taxing district for a term not  
20 to exceed 2 years. Such notice shall advise each chief  
21 executive officer of the date, time and place of the first  
22 meeting of such joint review board, which shall occur not less  
23 than 30 days prior to the date of the public hearing. Such  
24 notice by mail shall be given by depositing such notice in the  
25 United States Postal Service by certified mail.

26 At or prior to the first meeting of such joint review board

1 the county shall furnish to any member of such joint review  
2 board copies of the proposed economic development plan and any  
3 related documents which such member shall reasonably request. A  
4 majority of the members of such joint review board present at  
5 any meeting shall constitute a quorum. Additional meetings may  
6 be called by any member of a joint review board upon the giving  
7 of notice not less than 72 hours prior to the date of any  
8 additional meeting to all members of the joint review board.  
9 The joint review board shall review such information and  
10 material as its members reasonably deem relevant to the  
11 county's proposals to approve economic development plans and  
12 economic development projects and to designate economic  
13 development project areas. The county shall provide such  
14 information and material promptly upon the request of the joint  
15 review board and may also provide administrative support and  
16 facilities as the joint review board may reasonably require.

17 Within 30 days of its first meeting, a joint review board  
18 shall provide the county with a written report of its review of  
19 any proposal to approve an economic development plan and  
20 economic development project and to designate an economic  
21 development project area. Such written report shall include  
22 such information and advisory, nonbinding recommendations as a  
23 majority of the members of the joint review board shall deem  
24 relevant. Written reports of joint review boards may include  
25 information and advisory, nonbinding recommendations provided  
26 by a minority of the members thereof. Any joint review board

1 which does not provide such written report within such 30-day  
2 period shall be deemed to have recommended that the county  
3 proceed with a proposal to approve an economic development plan  
4 and economic development project and to designate an economic  
5 development project area.

6 (c) Notice of the public hearing shall be given by  
7 publication and mailing.

8 (1) Notice by publication shall be given by publication  
9 at least twice, the first publication to be not more than  
10 30 nor less than 10 days prior to the hearing in a  
11 newspaper of general circulation within the taxing  
12 districts having property in the proposed economic  
13 development project area. Notice by mailing shall be given  
14 by depositing such notice together with a copy of the  
15 proposed economic development plan in the United States  
16 Postal Service by certified mail addressed to the person or  
17 persons in whose name the general taxes for the last  
18 preceding year were paid on each lot, block, tract, or  
19 parcel of land lying within the proposed economic  
20 development project area. The notice shall be mailed not  
21 less than 10 days prior to the dates set for the public  
22 hearing. In the event taxes for the last preceding year  
23 were not paid, the notice shall also be sent to the persons  
24 last listed on the tax rolls within the preceding 3 years  
25 as the owners of the property.

26 (2) The notices issued pursuant to this Section shall

1 include the following:

2 (A) The time and place of public hearing;

3 (B) The boundaries of the proposed economic  
4 development project area by legal description and by  
5 street location where possible;

6 (C) A notification that all interested persons  
7 will be given an opportunity to be heard at the public  
8 hearing;

9 (D) An invitation for any person to submit  
10 alternative proposals or bids for any proposed  
11 conveyance, lease, mortgage or other disposition of  
12 land within the proposed economic development project  
13 area;

14 (E) A description of the economic development plan  
15 or economic development project if a plan or project is  
16 a subject matter of the hearing; and

17 (F) Such other matters as the county may deem  
18 appropriate.

19 (3) Not less than 45 days prior to the date set for  
20 hearing, the county shall give notice by mail as provided  
21 in this subsection (c) to all taxing districts of which  
22 taxable property is included in the economic development  
23 project area, and to the Department. In addition to the  
24 other requirements under this subsection (c), the notice  
25 shall include an invitation to the Department and each  
26 taxing district to submit comments to the county concerning

1 the subject matter of the hearing prior to the date of the  
2 hearing.

3 (d) At the public hearing any interested person, the  
4 Department or any affected taxing district may file written  
5 objections with the county clerk and may be heard orally with  
6 respect to any issues embodied in the notice. The county shall  
7 hear and determine all alternate proposals or bids for any  
8 proposed conveyance, lease, mortgage or other disposition of  
9 land and all protests and objections at the hearing, and the  
10 hearing may be adjourned to another date without further notice  
11 other than a motion to be entered upon the minutes fixing the  
12 time and place of the adjourned hearing. Public hearings with  
13 regard to an economic development plan, economic development  
14 project area, or economic development project may be held  
15 simultaneously.

16 (e) At the public hearing, or at any time prior to the  
17 adoption by the county of an ordinance approving an economic  
18 development plan, the county may make changes in the economic  
19 development plan. Changes which (1) alter the exterior  
20 boundaries of the proposed economic development project area,  
21 (2) substantially affect the general land uses established in  
22 the proposed economic development plan, (3) substantially  
23 change the nature of the proposed economic development plan,  
24 (4) change the general description of any proposed developer,  
25 user or tenant of any property to be located or improved within  
26 the economic development project area, or (5) change the

1 description of the type, class and number of employees to be  
2 employed in the operation of the facilities to be developed or  
3 improved within the economic development project area shall be  
4 made only after review by joint review board, notice and  
5 hearing pursuant to the procedures set forth in this Section.  
6 Changes which do not (1) alter the exterior boundaries of a  
7 proposed economic development project area, (2) substantially  
8 affect the general land uses established in the proposed plan,  
9 (3) substantially change the nature of the proposed economic  
10 development plan, (4) change the general description of any  
11 proposed developer, user or tenant of any property to be  
12 located or improved within the economic development project  
13 area, or (5) change the description of the type, class and  
14 number of employees to be employed in the operation of the  
15 facilities to be developed or improved within the economic  
16 development project area may be made without further notice or  
17 hearing, provided that the county shall give notice of its  
18 changes by mail to the Department and to each affected taxing  
19 district and by publication in a newspaper or newspapers of  
20 general circulation with the affected taxing districts. Such  
21 notice by mail and by publication shall each occur not later  
22 than 10 days following the adoption by ordinance of such  
23 changes.

24 (f) At any time within 90 days of the final adjournment of  
25 the public hearing, a county may, by ordinance, approve the  
26 economic development plan, establish the economic development



1 project area, and authorize property tax allocation financing  
2 for such economic development project area.

3 Any ordinance adopted by Whiteside County which approves  
4 the economic development plan shall contain findings that the  
5 economic development project is reasonably expected to create  
6 or retain not less than 500 full-time equivalent jobs, that  
7 private investment in an amount not less than \$25,000,000 is  
8 reasonably expected to occur in the economic development  
9 project area, that the economic development project will  
10 encourage the increase of commerce and industry within the  
11 State, thereby reducing the evils attendant upon unemployment  
12 and increasing opportunities for personal income, and that the  
13 economic development project will increase or maintain the  
14 property, sales and income tax bases of the county and of the  
15 State.

16 Any ordinance adopted by Grundy County that approves the  
17 economic development plan shall contain findings that the  
18 economic development project is reasonably expected to create  
19 or retain not less than 250 full-time equivalent jobs, that  
20 private investment in an amount not less than \$50,000,000 is  
21 reasonably expected to occur in the economic development  
22 project area, that the economic development project will  
23 encourage the increase of commerce and industry within the  
24 State, thereby reducing the evils attendant upon unemployment  
25 and increasing opportunities for personal income, and that the  
26 economic development project will increase or maintain the

1 property, sales, and income tax bases of the county and of the  
2 State.

3 Any ordinance adopted by Stephenson County that approves an  
4 economic development plan shall contain findings that (i) the  
5 economic development project is reasonably expected to create  
6 or retain not less than 500 full-time equivalent jobs; (ii)  
7 private investment in an amount not less than \$10,000,000 is  
8 reasonably expected to occur in the economic development area;  
9 (iii) the economic development project will encourage the  
10 increase of commerce and industry within the State, thereby  
11 reducing the evils attendant upon unemployment and increasing  
12 opportunities for personal income; and (iv) the economic  
13 development project will increase or maintain the property,  
14 sales, and income tax bases of the county and of the State.  
15 Before the economic development project area is established by  
16 Stephenson County, the following additional conditions must be  
17 included in an intergovernmental agreement approved by both the  
18 Stephenson County Board and the corporate authorities of the  
19 City of Freeport: (i) the corporate authorities of the City of  
20 Freeport must concur by resolution with the findings of  
21 Stephenson County; (ii) both the corporate authorities of the  
22 City of Freeport and the Stephenson County Board shall approve  
23 any and all economic or redevelopment agreements and incentives  
24 for any economic development project within the economic  
25 development area; (iii) any economic development project that  
26 receives funds under this Act, except for any economic

1 development project specifically excluded from annexation in  
2 the provisions of the intergovernmental agreement, shall agree  
3 to and must enter into an annexation agreement with the City of  
4 Freeport to annex property included in the economic development  
5 project area to the City of Freeport at the first point in time  
6 that the property becomes contiguous to the City of Freeport;  
7 (iv) the local share of all State occupation and use taxes  
8 allocable to the City of Freeport and Stephenson County and  
9 derived from commercial projects within the economic  
10 development project area shall be equally shared by and between  
11 the City of Freeport and Stephenson County for the duration of  
12 the economic development project; and (v) any development in  
13 the economic development project area shall be built in  
14 accordance with the building and related codes of both the City  
15 of Freeport and Stephenson County and the City of Freeport  
16 shall approve all provisions for water and sewer service.

17 The ordinance shall also state that the economic  
18 development project area shall not include parcels to be used  
19 for purposes of residential development. Any ordinance adopted  
20 which establishes an economic development project area shall  
21 contain the boundaries of such area by legal description and,  
22 where possible, by street location. Any ordinance adopted which  
23 authorizes property tax allocation financing shall provide  
24 that the ad valorem taxes, if any, arising from the levies upon  
25 taxable real property in such economic development project area  
26 by taxing districts and tax rates determined in the manner

1 provided in subsection (b) of Section 6 of this Act each year  
2 after the effective date of the ordinance until economic  
3 development project costs and all county obligations financing  
4 economic development project costs incurred under this Act have  
5 been paid shall be divided as follows:

6 (1) That portion of taxes levied upon each taxable lot,  
7 block, tract or parcel of real property which is  
8 attributable to the lower of the current equalized assessed  
9 value or the initial equalized assessed value of each such  
10 taxable lot, block, tract or parcel of real property in the  
11 economic development project area shall be allocated to,  
12 and when collected, shall be paid by the county collector  
13 to the respective affected taxing districts in the manner  
14 required by law in the absence of the adoption of property  
15 tax allocation financing.

16 (2) That portion, if any, of such taxes which is  
17 attributable to the increase in the current equalized  
18 assessed valuation of each taxable lot, block, tract or  
19 parcel of real property in the economic development project  
20 area over and above the initial equalized assessed value of  
21 each property in the economic development project area  
22 shall be allocated to and when collected shall be paid to  
23 the county treasurer who shall deposit those taxes into a  
24 special fund called the special tax allocation fund of the  
25 county for the purpose of paying economic development  
26 project costs and obligations incurred in the payment

1           thereof.

2           (g) After a county has by ordinance approved an economic  
3 development plan and established an economic development  
4 project area, the plan may be amended and the boundaries of the  
5 area may be altered only as herein provided. Amendments which  
6 (1) alter the exterior boundaries of an economic development  
7 project area, (2) substantially affect the general land uses  
8 established pursuant to the economic development plan, (3)  
9 substantially change the nature of the economic development  
10 plan, (4) change the general description of any proposed  
11 developer, user, or tenant of any property to be located or  
12 improved within the economic development project area, or (5)  
13 change the description of the type, class and number of  
14 employees to be employed in the operation of the facilities to  
15 be developed or improved shall be made only after review by a  
16 joint review board, notice and hearing pursuant to the  
17 procedures set forth in this Section. Amendments which do not  
18 (1) alter the exterior boundaries of an economic development  
19 project area, (2) substantially affect the general land uses  
20 established in the economic development plan, (3)  
21 substantially change the nature of the economic development  
22 plan, (4) change the description of any proposed developer,  
23 user, or tenant of any property to be located or improved  
24 within the economic development project area, or (5) change the  
25 description of the type, class and number of employees to be  
26 employed in the operation of the facilities to be developed or

1 improved within the economic development project area may be  
2 made without further hearing or notice, provided that the  
3 county shall give notice of any amendment by mail to the  
4 Department and to each taxing district and by publication in a  
5 newspaper or newspapers of general circulation within the  
6 affected taxing districts. Such notices by mail and by  
7 publication shall each occur not later than 10 days following  
8 the adoption by ordinance of such amendments.

9 (h) After the adoption of an ordinance adopting property  
10 tax allocation financing for an economic development project  
11 area, the county shall annually report to each taxing district  
12 having taxable property within such economic development  
13 project area (i) any increase or decrease in the equalized  
14 assessed value of the real property located within such  
15 economic development project area above or below the initial  
16 equalized assessed value of such real property, (ii) that  
17 portion, if any, of the ad valorem taxes arising from the  
18 levies upon taxable real property in such economic development  
19 project area by the taxing districts which is attributable to  
20 the increase in the current equalized assessed valuation of  
21 each lot, block, tract or parcel of real property in the  
22 economic development project area over and above the initial  
23 equalized value of each property and which has been allocated  
24 to the county in the current year, and (iii) such other  
25 information as the county may deem relevant.

26 (i) The county shall give notice by mail as provided in

1 this Section and shall reconvene the joint review board not  
2 less than annually for each of the 2 years following its  
3 adoption of an ordinance adopting property tax allocation  
4 financing for an economic development project area and not less  
5 than once in each 3-year period thereafter. The county shall  
6 provide such information, and may provide administrative  
7 support and facilities as the joint review board may reasonably  
8 require for each of such meetings.

9 (Source: P.A. 93-959, eff. 8-20-04; 94-259, eff. 1-1-06.)

10 (55 ILCS 85/5) (from Ch. 34, par. 7005)

11 Sec. 5. Submission to Department; certification by  
12 Department.

13 (a) The county shall submit certified copies of any  
14 ordinances adopted approving a proposed economic development  
15 plan, establishing an economic development project area, and  
16 authorizing tax increment allocation financing to the  
17 Department, together with (1) a map of the economic development  
18 project area, (2) a copy of the economic development plan as  
19 approved, (3) an analysis, and any supporting documents and  
20 statistics, demonstrating (i) that the economic development  
21 project is reasonably expected to create or retain not less  
22 than 500 full-time equivalent jobs and (ii) that private  
23 investment in the amount of not less than \$25,000,000 for all  
24 ordinances adopted by Whiteside County and in the amount of not  
25 less than \$10,000,000 for any ordinance adopted by Stephenson

1 County is reasonably expected to occur in the economic  
2 development project area, (4) an estimate of the economic  
3 impact of the economic development plan and the use of property  
4 tax allocation financing upon the revenues of the county and  
5 the affected taxing districts, (5) a record of all public  
6 hearings held in connection with the establishment of the  
7 economic development project area, and (6) such other  
8 information as the Department by regulation may require.

9 (b) Upon receipt of an application from a county the  
10 Department shall review the application to determine whether  
11 the economic development project area qualifies as an economic  
12 development project area under this Act. At its discretion, the  
13 Department may accept or reject the application or may request  
14 such additional information as it deems necessary or advisable  
15 to aid its review. If any such area is found to be qualified to  
16 be an economic development project area, the Department shall  
17 approve and certify such economic development project area and  
18 shall provide written notice of its approval and certification  
19 to the county and to the county clerk. In determining whether  
20 an economic development project area shall be approved and  
21 certified, the Department shall consider (1) whether, without  
22 public intervention, the State would suffer substantial  
23 economic dislocation, such as relocation of a commercial  
24 business or industrial or manufacturing facility to another  
25 state, territory or country, or would not otherwise benefit  
26 from private investment offering substantial employment



1 opportunities and economic growth, and (2) the impact on the  
2 revenues of the county and the affected taxing districts of the  
3 use of tax increment allocation financing in connection with  
4 the economic development project.

5 (c) On or before July 1, 2007 and each July 1 thereafter  
6 through July 1, 2019, the Department shall submit to the  
7 General Assembly a report detailing the number of economic  
8 development project areas it has approved and certified, the  
9 number and type of jobs created or retained therein, the  
10 aggregate amount of private investment therein, the impact in  
11 the revenues of counties and affected taxing districts of the  
12 use of property tax allocation financing therein, and such  
13 additional information as the Department may determine to be  
14 relevant. On July 1, 2019 ~~2008~~ the authority granted hereunder  
15 to counties to establish economic development project areas and  
16 to adopt property tax allocation financing in connection  
17 therewith and to the Department to approve and certify economic  
18 development project areas shall expire unless the General  
19 Assembly shall have authorized counties and the Department to  
20 continue to exercise the powers granted to them under this Act.  
21 (Source: P.A. 92-791, eff. 8-6-02; 93-959, eff. 8-20-04.)