

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 Sections 8-4-1, 11-74.3-1, 11-74.3-2, 11-74.3-3,
6 11-74.3-4, 11-74.3-5, and 11-74.3-6 and by adding Section
7 11-74.3-7 as follows:

8 (65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

9 Sec. 8-4-1. No bonds shall be issued by the corporate
10 authorities of any municipality until the question of
11 authorizing such bonds has been submitted to the electors of
12 that municipality provided that notice of the bond referendum,
13 if held before July 1, 1999, has been given in accordance with
14 the provisions of Section 12-5 of the Election Code in effect
15 at the time of the bond referendum, at least 10 and not more
16 than 45 days before the date of the election, notwithstanding
17 the time for publication otherwise imposed by Section 12-5, and
18 approved by a majority of the electors voting upon that
19 question. Notices required in connection with the submission of
20 public questions on or after July 1, 1999 shall be as set forth
21 in Section 12-5 of the Election Code. The clerk shall certify
22 the proposition of the corporate authorities to the proper
23 election authority who shall submit the question at an election

1 in accordance with the general election law, subject to the
2 notice provisions set forth in this Section.

3 Notice of any such election shall contain the amount of the
4 bond issue, purpose for which issued, and maximum rate of
5 interest.

6 However, without the submission of the question of issuing
7 bonds to the electors, the corporate authorities of any
8 municipality may authorize the issuance of any of the following
9 bonds:

10 (1) Bonds to refund any existing bonded indebtedness;

11 (2) Bonds to fund or refund any existing judgment
12 indebtedness;

13 (3) In any municipality of less than 500,000 population,
14 bonds to anticipate the collection of installments of special
15 assessments and special taxes against property owned by the
16 municipality and to anticipate the collection of the amount
17 apportioned to the municipality as public benefits under
18 Article 9;

19 (4) Bonds issued by any municipality under Sections 8-4-15
20 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through
21 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1 through
22 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1 through
23 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1 through
24 11-102-10, 11-103-11 through 11-103-15, 11-118-1 through
25 11-118-6, 11-119-1 through 11-119-5, 11-129-1 through
26 11-129-7, 11-133-1 through 11-133-4, 11-139-1 through

1 11-139-12, 11-141-1 through 11-141-18 of this Code or 10-801
2 through 10-808 of the Illinois Highway Code, as amended;

3 (5) Bonds issued by the board of education of any school
4 district under the provisions of Sections 34-30 through 34-36
5 of The School Code, as amended;

6 (6) Bonds issued by any municipality under the provisions
7 of Division 6 of this Article 8; and by any municipality under
8 the provisions of Division 7 of this Article 8; or under the
9 provisions of Sections 11-121-4 and 11-121-5;

10 (7) Bonds to pay for the purchase of voting machines by any
11 municipality that has adopted Article 24 of The Election Code,
12 approved May 11, 1943, as amended;

13 (8) Bonds issued by any municipality under Sections 15 and
14 46 of the "Environmental Protection Act", approved June 29,
15 1970;

16 (9) Bonds issued by the corporate authorities of any
17 municipality under the provisions of Section 8-4-25 of this
18 Article 8;

19 (10) Bonds issued under Section 8-4-26 of this Article 8 by
20 any municipality having a board of election commissioners;

21 (11) Bonds issued under the provisions of "An Act to
22 provide the manner of levying or imposing taxes for the
23 provision of special services to areas within the boundaries of
24 home rule units and nonhome rule municipalities and counties",
25 approved September 21, 1973;

26 (12) Bonds issued under Section 8-5-16 of this Code;

1 (13) Bonds to finance the cost of the acquisition,
2 construction or improvement of water or wastewater treatment
3 facilities mandated by an enforceable compliance schedule
4 developed in connection with the federal Clean Water Act or a
5 compliance order issued by the United States Environmental
6 Protection Agency or the Illinois Pollution Control Board;
7 provided that such bonds are authorized by an ordinance adopted
8 by a three-fifths majority of the corporate authorities of the
9 municipality issuing the bonds which ordinance shall specify
10 that the construction or improvement of such facilities is
11 necessary to alleviate an emergency condition in such
12 municipality;

13 (14) Bonds issued by any municipality pursuant to Section
14 11-113.1-1;

15 (15) Bonds issued under Sections 11-74.6-1 through
16 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

17 (Source: P.A. 90-706, eff. 8-7-98; 90-812, eff. 1-26-99; 91-57,
18 eff. 6-30-99.)

19 (65 ILCS 5/11-74.3-1) (from Ch. 24, par. 11-74.3-1)

20 Sec. 11-74.3-1. Division short title; declaration of
21 public purpose. ~~It is hereby found and declared:~~ This Division
22 74.3 may be cited as the Business District Development and
23 Redevelopment Law.

24 It is hereby found and declared:

25 (1) It is ~~may be considered~~ essential to the economic and

1 social welfare of each municipality that business districts be
2 developed, redeveloped, improved, maintained, and revitalized,
3 that jobs and opportunity for employment be created within the
4 municipality, and that, if blighting conditions are present,
5 blighting conditions be eradicated by assuring opportunities
6 for development or redevelopment, encouraging private
7 investment, and attracting sound and stable business and
8 commercial growth. It is further found and determined that as a
9 result of economic conditions unfavorable to the creation,
10 development, improvement, maintenance, and redevelopment of
11 certain business and commercial areas within municipalities
12 opportunities for private investment and sound and stable
13 commercial growth have been and will continue to be negatively
14 impacted and business and commercial areas within many
15 municipalities have deteriorated and will continue to
16 deteriorate, thereby causing a serious menace to the health,
17 safety, morals, and general welfare of the people of the entire
18 State, unemployment, a decline in tax revenues, excessive and
19 disproportionate expenditure of public funds, inadequate
20 public and private investment, the unmarketability of
21 property, and the growth of delinquencies and crime. In order
22 to reduce threats to and to promote and protect the health,
23 safety, morals, and welfare of the public and to provide
24 incentives which will create employment and job opportunities,
25 will retain commercial businesses in the State and related job
26 opportunities and will eradicate blighting conditions if

1 blighting conditions are present, and for the relief of
2 unemployment and the maintenance of existing levels of
3 employment, it is essential that plans for business districts
4 be created and implemented and that business districts be
5 created, developed, improved, maintained, and redeveloped.

6 (2) The creation, development, improvement, maintenance,
7 and redevelopment of business districts will stimulate
8 economic activity in the State, create and maintain jobs,
9 increase tax revenues, encourage the creation of new and
10 lasting infrastructure, other improvements, and facilities,
11 and cause the attraction and retention of businesses and
12 commercial enterprises which generate economic activity and
13 services and increase the general tax base, including, but not
14 limited to, increased retail sales, hotel or restaurant sales,
15 manufacturing sales, or entertainment industry sales, thereby
16 increasing employment and economic growth.

17 (3) It is hereby declared to be the policy of the State, in
18 the interest of promoting the health, safety, morals, and
19 general welfare of all the people of the State, to provide
20 incentives which will create new job opportunities and retain
21 existing commercial businesses within the State and related job
22 opportunities, and it is further determined and declared that
23 the relief of conditions of unemployment, the maintenance of
24 existing levels of employment, the creation of new job
25 opportunities, the retention of existing commercial
26 businesses, the increase of industry and commerce within the

1 State, the reduction of the evils attendant upon unemployment,
2 and the increase and maintenance of the tax base of the State
3 and its political subdivisions are public purposes and for the
4 public safety, benefit, and welfare of the residents of this
5 State.

6 (4) The exercise of the powers provided in this Law is
7 dedicated to the promotion of the public interest, to the
8 enhancement of the tax base within business districts,
9 municipalities, and the State and its political subdivisions,
10 the creation of employment, and the eradication of blight, if
11 present within the business district, and the use of such
12 powers for the creation, development, improvement,
13 maintenance, and redevelopment of business districts of a
14 municipality is hereby declared to be for the public safety,
15 benefit, and welfare of the residents of the State and
16 essential to the public interest and declared to be for public
17 purposes.

18 ~~(2) Such a result should conform with a comprehensive plan~~
19 ~~of the municipality and a specific plan for business districts~~
20 ~~officially approved by the corporate authorities of the~~
21 ~~municipality after public hearings.~~

22 ~~(3) The exercise of the powers provided in this Division is~~
23 ~~dedicated to the promotion of the public interest and to the~~
24 ~~enhancement of the tax base of business districts, and the use~~
25 ~~of such powers for the development and redevelopment of~~
26 ~~business districts of a municipality is hereby declared to be a~~

1 ~~public use essential to the public interest.~~

2 (Source: P.A. 78-793.)

3 (65 ILCS 5/11-74.3-2) (from Ch. 24, par. 11-74.3-2)

4 Sec. 11-74.3-2. Procedures to designate business
5 districts; ordinances; notice; hearings.

6 (a) The corporate authorities of a municipality shall by
7 ordinance propose the approval of a business district plan and
8 designation of a business district and shall fix a time and
9 place for a public hearing on the proposals to approve a
10 business district plan and designate a business district.

11 (b) Notice of the public hearing shall be given by
12 publication at least twice, the first publication to be not
13 more than 30 nor less than 10 days prior to the hearing, in a
14 newspaper of general circulation within the municipality. Each
15 notice published pursuant to this Section shall include the
16 following:

17 (1) The time and place of the public hearing;

18 (2) The boundaries of the proposed business district by
19 legal description and, where possible, by street location;

20 (3) A notification that all interested persons will be
21 given an opportunity to be heard at the public hearing;

22 (4) A description of the business district plan if a
23 business district plan is a subject matter of the public
24 hearing;

25 (5) The rate of any tax to be imposed pursuant to

1 subsection (11) or (12) of Section 11-74.3-3;

2 (6) An invitation for any person to submit alternate
3 proposals or bids for any proposed conveyance, lease,
4 mortgage, or other disposition by the municipality of land
5 or rights in land owned by the municipality and located
6 within the proposed business district; and

7 (7) Such other matters as the municipality shall deem
8 appropriate.

9 (c) At the public hearing any interested person may file
10 written objections with the municipal clerk and may be heard
11 orally with respect to any matters embodied in the notice. The
12 municipality shall hear and determine all alternate proposals
13 or bids for any proposed conveyance, lease, mortgage, or other
14 disposition by the municipality of land or rights in land owned
15 by the municipality and located within the proposed business
16 district and all protests and objections at the hearing,
17 provided, however, that the corporate authorities of the
18 municipality may establish reasonable rules regarding the
19 length of time provided to members of the general public. The
20 hearing may be adjourned to another date without further notice
21 other than a motion to be entered upon the minutes fixing the
22 time and place of the adjourned hearing. Public hearings with
23 regard to approval of a business district plan or designation
24 of a business district may be held simultaneously.

25 (d) At the public hearing or at any time prior to the
26 adoption by the municipality of an ordinance approving a

1 business district plan, the municipality may make changes in
2 the business district plan. Changes which do not (i) alter the
3 exterior boundaries of the proposed business district, (ii)
4 substantially affect the general land uses described in the
5 proposed business district plan, (iii) substantially change
6 the nature of any proposed business district project, (iv)
7 change the description of any proposed developer, user, or
8 tenant of any property to be located or improved within the
9 proposed business district, (v) increase the total estimated
10 business district project costs set out in the business
11 district plan by more than 5%, (vi) add additional business
12 district costs to the itemized list of estimated business
13 district costs as proposed in the business district plan, or
14 (vii) impose or increase the rate of any tax to be imposed
15 pursuant to subsection (11) or (12) of Section 11-74.3-3 may be
16 made by the municipality without further public hearing,
17 provided the municipality shall give notice of its changes by
18 publication in a newspaper of general circulation within the
19 municipality. Such notice by publication shall be given not
20 later than 30 days following the adoption of an ordinance
21 approving such changes. Changes which (i) alter the exterior
22 boundaries of the proposed business district, (ii)
23 substantially affect the general land uses described in the
24 proposed business district plan, (iii) substantially change
25 the nature of any proposed business district project, (iv)
26 change the description of any proposed developer, user, or

1 tenant of any property to be located or improved within the
2 proposed business district, (v) increase the total estimated
3 business district project costs set out in the business
4 district plan by more than 5%, (vi) add additional business
5 district costs to the itemized list of estimated business
6 district costs as proposed in the business district plan, or
7 (vii) impose or increase the rate of any tax to be imposed
8 pursuant to subsection (11) or (12) of Section 11-74.3-3 may be
9 made by the municipality only after the municipality by
10 ordinance fixes a time and place for, gives notice by
11 publication of, and conducts a public hearing pursuant to the
12 procedures set forth hereinabove.

13 (e) By ordinance adopted within 90 days of the final
14 adjournment of the public hearing a municipality may approve
15 the business district plan and designate the business district.
16 Any ordinance adopted which approves a business district plan
17 shall contain findings that the business district on the whole
18 has not been subject to growth and development through
19 investment by private enterprises and would not reasonably be
20 anticipated to be developed or redeveloped without the adoption
21 of the business district plan. Any ordinance adopted which
22 designates a business district shall contain the boundaries of
23 such business district by legal description and, where
24 possible, by street location, a finding that the business
25 district plan conforms to the comprehensive plan for the
26 development of the municipality as a whole, or, for

1 municipalities with a population of 100,000 or more, regardless
2 of when the business district plan was approved, the business
3 district plan either (i) conforms to the strategic economic
4 development or redevelopment plan issued by the designated
5 planning authority or the municipality or (ii) includes land
6 uses that have been approved by the planning commission of the
7 municipality, and, for any business district in which the
8 municipality intends to impose taxes as provided in subsection
9 (11) or (12) of Section 11-74.3-3, a specific finding that the
10 business district qualifies as a blighted area as defined in
11 Section 11-74.3-5.

12 (f) After a municipality has by ordinance approved a
13 business district plan and designated a business district, the
14 plan may be amended, the boundaries of the business district
15 may be altered, and the taxes provided for in subsections (11)
16 and (12) of Section 11-74.3-3 may be imposed or altered only as
17 provided in this subsection. Changes which do not (i) alter the
18 exterior boundaries of the proposed business district, (ii)
19 substantially affect the general land uses described in the
20 business district plan, (iii) substantially change the nature
21 of any business district project, (iv) change the description
22 of any developer, user, or tenant of any property to be located
23 or improved within the proposed business district, (v) increase
24 the total estimated business district project costs set out in
25 the business district plan by more than 5% after adjustment for
26 inflation from the date the business district plan was

1 approved, (vi) add additional business district costs to the
2 itemized list of estimated business district costs as approved
3 in the business district plan, or (vii) impose or increase the
4 rate of any tax to be imposed pursuant to subsection (11) or
5 (12) of Section 11-74.3-3 may be made by the municipality
6 without further public hearing, provided the municipality
7 shall give notice of its changes by publication in a newspaper
8 of general circulation within the municipality. Such notice by
9 publication shall be given not later than 30 days following the
10 adoption of an ordinance approving such changes. Changes which
11 (i) alter the exterior boundaries of the business district,
12 (ii) substantially affect the general land uses described in
13 the business district plan, (iii) substantially change the
14 nature of any business district project, (iv) change the
15 description of any developer, user, or tenant of any property
16 to be located or improved within the proposed business
17 district, (v) increase the total estimated business district
18 project costs set out in the business district plan by more
19 than 5% after adjustment for inflation from the date the
20 business district plan was approved, (vi) add additional
21 business district costs to the itemized list of estimated
22 business district costs as approved in the business district
23 plan, or (vii) impose or increase the rate of any tax to be
24 imposed pursuant to subsection (11) or (12) of Section
25 11-74.3-3 may be made by the municipality only after the
26 municipality by ordinance fixes a time and place for, gives

1 notice by publication of, and conducts a public hearing
2 pursuant to the procedures set forth in this Section.

3 ~~The corporate authorities of a municipality may designate,~~
4 ~~after public hearings, an area of the municipality as a~~
5 ~~Business District.~~

6 (Source: P.A. 78-793.)

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

8 Sec. 11-74.3-3. Powers of municipalities. In addition to
9 the powers a municipality may now have, a ~~In carrying out a~~
10 ~~business district development or redevelopment plan, the~~
11 ~~corporate authorities of each~~ municipality shall have the
12 following powers:

13 (1) To make and enter into all contracts necessary or
14 incidental to the implementation and furtherance of a
15 business district plan. A contract by and between the
16 municipality and any developer or other nongovernmental
17 person to pay or reimburse said developer or other
18 nongovernmental person for business district project costs
19 incurred or to be incurred by said developer or other
20 nongovernmental person shall not be deemed an economic
21 incentive agreement under Section 8-11-20, notwithstanding
22 the fact that such contract provides for the sharing,
23 rebate, or payment of retailers' occupation taxes or
24 service occupation taxes (including, without limitation,
25 taxes imposed pursuant to subsection (11)) the

1 municipality receives from the development or
2 redevelopment of properties in the business district.
3 Contracts entered into pursuant to this subsection shall be
4 binding upon successor corporate authorities of the
5 municipality and any party to such contract may seek to
6 enforce and compel performance of the contract by civil
7 action, mandamus, injunction, or other proceeding.

8 (2) Within a business district, to acquire by purchase,
9 donation, or lease, and to own, convey, lease, mortgage, or
10 dispose of land and other real or personal property or
11 rights or interests therein; and to grant or acquire
12 licenses, easements, and options with respect thereto, all
13 in the manner and at such price authorized by law. No
14 conveyance, lease, mortgage, disposition of land or other
15 property acquired by the municipality, or agreement
16 relating to the development of property, shall be made or
17 executed except pursuant to prior official action of the
18 municipality. No conveyance, lease, mortgage, or other
19 disposition of land owned by the municipality, and no
20 agreement relating to the development of property, within a
21 business district shall be made without making public
22 disclosure of the terms and disposition of all bids and
23 proposals submitted to the municipality in connection
24 therewith.

25 (2.5) To acquire property by eminent domain in
26 accordance with the Eminent Domain Act.

1 (3) To clear any area within a business district by
2 demolition or removal of any existing buildings,
3 structures, fixtures, utilities, or improvements, and to
4 clear and grade land.

5 (4) To install, repair, construct, reconstruct, or
6 relocate public streets, public utilities, and other
7 public site improvements within or without a business
8 district which are essential to the preparation of a
9 business district for use in accordance with a business
10 district plan.

11 (5) To renovate, rehabilitate, reconstruct, relocate,
12 repair, or remodel any existing buildings, structures,
13 works, utilities, or fixtures within any business
14 district.

15 (6) To construct public improvements, including but
16 not limited to buildings, structures, works, utilities, or
17 fixtures within any business district.

18 (7) To fix, charge, and collect fees, rents, and
19 charges for the use of any building, facility, or property
20 or any portion thereof owned or leased by the municipality
21 within a business district.

22 (8) To pay or cause to be paid business district
23 project costs. Any payments to be made by the municipality
24 to developers or other nongovernmental persons for
25 business district project costs incurred by such developer
26 or other nongovernmental person shall be made only pursuant

1 to the prior official action of the municipality evidencing
2 an intent to pay or cause to be paid such business district
3 project costs. A municipality is not required to obtain any
4 right, title, or interest in any real or personal property
5 in order to pay business district project costs associated
6 with such property. The municipality shall adopt such
7 accounting procedures as shall be necessary to determine
8 that such business district project costs are properly
9 paid.

10 (9) To apply for and accept grants, guarantees,
11 donations of property or labor or any other thing of value
12 for use in connection with a business district project.

13 (10) If the municipality has by ordinance found and
14 determined that the business district is a blighted area
15 under this Law, to impose a retailers' occupation tax and a
16 service occupation tax in the business district for the
17 planning, execution, and implementation of business
18 district plans and to pay for business district project
19 costs as set forth in the business district plan approved
20 by the municipality.

21 (11) If the municipality has by ordinance found and
22 determined that the business district is a blighted area
23 under this Law, to impose a hotel operators' occupation tax
24 in the business district for the planning, execution, and
25 implementation of business district plans and to pay for
26 the business district project costs as set forth in the

1 business district plan approved by the municipality.

2 ~~(1) To approve all development and redevelopment~~
3 ~~proposals for a business district.~~

4 ~~(2) To exercise the use of eminent domain for the~~
5 ~~acquisition of real and personal property for the purpose~~
6 ~~of a development or redevelopment project.~~

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

10 ~~(4) To apply for and accept capital grants and loans~~
11 ~~from the United States and the State of Illinois, or any~~
12 ~~instrumentality of the United States or the State, for~~
13 ~~business district development and redevelopment.~~

14 ~~(5) To borrow funds as it may be deemed necessary for~~
15 ~~the purpose of business district development and~~
16 ~~redevelopment, and in this connection issue such~~
17 ~~obligation or revenue bonds as it shall be deemed~~
18 ~~necessary, subject to applicable statutory limitations.~~

19 ~~(6) To enter into contracts with any public or private~~
20 ~~agency or person.~~

21 ~~(7) To sell, lease, trade or improve real property in~~
22 ~~connection with business district development and~~
23 ~~redevelopment plans.~~

24 ~~(8) To employ all such persons as may be necessary for~~
25 ~~the planning, administration and implementation of~~
26 ~~business district plans.~~

1 ~~(9) To expend such public funds as may be necessary for~~
2 ~~the planning, execution and implementation of the business~~
3 ~~district plans.~~

4 ~~(10) To establish by ordinance or resolution~~
5 ~~procedures for the planning, execution and implementation~~
6 ~~of business district plans.~~

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

11 ~~(12) To impose a retailers' occupation tax and a~~
12 ~~service occupation tax in the business district for the~~
13 ~~planning, execution, and implementation of business~~
14 ~~district plans and to pay for business district project~~
15 ~~costs as set forth in the business district plan approved~~
16 ~~by the municipality.~~

17 ~~(13) To impose a hotel operators' occupation tax in the~~
18 ~~business district for the planning, execution, and~~
19 ~~implementation of business district plans and to pay for~~
20 ~~the business district project costs as set forth in the~~
21 ~~business district plan approved by the municipality.~~

22 ~~(14) To issue obligations in one or more series bearing~~
23 ~~interest at rates determined by the corporate authorities~~
24 ~~of the municipality by ordinance and secured by the~~
25 ~~business district tax allocation fund set forth in Section~~
26 ~~11 74.3 6 for the business district to provide for the~~

1 ~~payment of business district project costs.~~

2 ~~This amendatory Act of the 91st General Assembly is~~
3 ~~declarative of existing law and is not a new enactment.~~

4 (Source: P.A. 93-1053, eff. 1-1-05.)

5 (65 ILCS 5/11-74.3-4) (from Ch. 24, par. 11-74.3-4)

6 Sec. 11-74.3-4. The powers granted to municipalities in
7 this Law Division shall not be construed as a limitation on the
8 powers of a home rule municipality granted by Article VII of
9 the Illinois Constitution.

10 (Source: P.A. 78-793.)

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

12 Sec. 11-74.3-5. Definitions. ~~Business district; additional~~
13 ~~procedures for designation of district and approval of~~
14 ~~development or redevelopment plan.~~

15 The following terms as used in this Law shall have the
16 following meanings:

17 "Blighted area" means an area that is a blighted area
18 which, by reason of the predominance of defective,
19 non-existent, or inadequate street layout, unsanitary or
20 unsafe conditions, deterioration of site improvements,
21 improper subdivision or obsolete platting, or the existence of
22 conditions which endanger life or property by fire or other
23 causes, or any combination of those factors, retards the
24 provision of housing accommodations or constitutes an economic

1 or social liability, an economic underutilization of the area,
2 or a menace to the public health, safety, morals, or welfare.

3 "Business district" means a contiguous area which includes
4 only parcels of real property directly and substantially
5 benefited by the proposed business district plan. A business
6 district may, but need not be, a blighted area, but no
7 municipality shall be authorized to impose taxes pursuant to
8 subsection (11) or (12) of Section 11-74.3-3 in a business
9 district which has not been determined by ordinance to be a
10 blighted area under this Law.

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

1 shall be imposed.

2 "Business district project costs" shall mean and include
3 the sum total of all costs incurred by a municipality, other
4 governmental entity, or nongovernmental person in connection
5 with a business district, in the furtherance of a business
6 district plan, including, without limitation, the following:

7 (1) costs of studies, surveys, development of plans and
8 specifications, implementation and administration of a
9 business district plan, and personnel and professional
10 service costs including architectural, engineering, legal,
11 marketing, financial, planning, or other professional
12 services, provided that no charges for professional
13 services may be based on a percentage of tax revenues
14 received by the municipality;

15 (2) property assembly costs, including but not limited
16 to, acquisition of land and other real or personal property
17 or rights or interests therein, and specifically including
18 payments to developers or other nongovernmental persons as
19 reimbursement for property assembly costs incurred by that
20 developer or other nongovernmental person;

21 (3) site preparation costs, including but not limited
22 to clearance, demolition or removal of any existing
23 buildings, structures, fixtures, utilities, and
24 improvements and clearing and grading of land;

25 (4) costs of installation, repair, construction,
26 reconstruction, extension, or relocation of public

1 streets, public utilities, and other public site
2 improvements within or without the business district which
3 are essential to the preparation of the business district
4 for use in accordance with the business district plan, and
5 specifically including payments to developers or other
6 nongovernmental persons as reimbursement for site
7 preparation costs incurred by the developer or
8 nongovernmental person;

9 (5) costs of renovation, rehabilitation,
10 reconstruction, relocation, repair, or remodeling of any
11 existing buildings, improvements, and fixtures within the
12 business district, and specifically including payments to
13 developers or other nongovernmental persons as
14 reimbursement for costs incurred by those developers or
15 nongovernmental persons;

16 (6) costs of installation or construction within the
17 business district of buildings, structures, works,
18 streets, improvements, equipment, utilities, or fixtures,
19 and specifically including payments to developers or other
20 nongovernmental persons as reimbursements for such costs
21 incurred by such developer or nongovernmental person;

22 (7) financing costs, including but not limited to all
23 necessary and incidental expenses related to the issuance
24 of obligations, payment of any interest on any obligations
25 issued under this Law that accrues during the estimated
26 period of construction of any development or redevelopment

1 project for which those obligations are issued and for not
2 exceeding 36 months thereafter, and any reasonable
3 reserves related to the issuance of those obligations; and

4 (8) relocation costs to the extent that a municipality
5 determines that relocation costs shall be paid or is
6 required to make payment of relocation costs by federal or
7 State law.

8 "Business district tax allocation fund" means the special
9 fund to be established by a municipality for a business
10 district as provided in Section 11-74.3-6.

11 "Dissolution date" means the date on which the business
12 district tax allocation fund shall be dissolved. The
13 dissolution date shall be not later than 270 days following
14 payment to the municipality of the last distribution of taxes
15 as provided in Section 11-74.3-6.

16 ~~If the corporate authorities of a municipality desire to impose~~
17 ~~a tax by ordinance pursuant to subsection (12) or (13) of~~
18 ~~Section 11 74.3 3, the following additional procedures shall~~
19 ~~apply to the designation of the business district and the~~
20 ~~approval of the business district development or redevelopment~~
21 ~~plan:~~

22 ~~(1) The corporate authorities of the municipality~~
23 ~~shall hold public hearings at least one week prior to~~
24 ~~designation of the business district and approval of the~~
25 ~~business district development or redevelopment plan.~~

26 ~~(2) The area proposed to be designated as a business~~

1 ~~district must be contiguous and must include only parcels~~
2 ~~of real property directly and substantially benefited by~~
3 ~~the proposed business district development or~~
4 ~~redevelopment plan.~~

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

22 ~~(4) The proposed business district development or~~
23 ~~redevelopment plan shall set forth in writing: (i) a~~
24 ~~specific description of the proposed boundaries of the~~
25 ~~district, including a map illustrating the boundaries;~~
26 ~~(ii) a general description of each project proposed to be~~

1 ~~undertaken within the business district, including a~~
2 ~~description of the approximate location of each project;~~
3 ~~(iii) the name of the proposed business district; (iv) the~~
4 ~~estimated business district project costs; (v) the~~
5 ~~anticipated source of funds to pay business district~~
6 ~~project costs; (vi) the anticipated type and terms of any~~
7 ~~obligations to be issued; and (vii) the rate of any tax to~~
8 ~~be imposed pursuant to subsection (12) or (13) of Section~~
9 ~~11-74.3-3 and the period of time for which the tax shall be~~
10 ~~imposed.~~

11 (Source: P.A. 93-1053, eff. 1-1-05.)

12 (65 ILCS 5/11-74.3-6)

13 Sec. 11-74.3-6. Business district revenue and obligations;
14 business district tax allocation fund.

15 (a) If the corporate authorities of a municipality have
16 approved a business district ~~development or redevelopment~~
17 plan, have designated a business district, and have elected to
18 impose a tax by ordinance pursuant to subsection (11) or (12)
19 of Section 11-74.3-3, then subsections (b), (c), or (d) of this
20 Section, each year after the date of the approval of the
21 ordinance but terminating upon the date ~~and until~~ all business
22 district project costs and all ~~municipal~~ obligations paying or
23 reimbursing ~~financing the~~ business district project costs, if
24 any, have been paid ~~in accordance with the business district~~
25 ~~development or redevelopment plan,~~ but in no event later longer

1 than ~~23 years after~~ the dissolution date ~~of adoption of the~~
2 ~~ordinance approving the business district development or~~
3 ~~redevelopment plan~~, all amounts generated by the retailers'
4 occupation tax and service occupation tax shall be collected
5 and the tax shall be enforced by the Department of Revenue in
6 the same manner as all retailers' occupation taxes and service
7 occupation taxes imposed in the municipality imposing the tax
8 and all amounts generated by the hotel operators' occupation
9 tax shall be collected and the tax shall be enforced by the
10 municipality in the same manner as all hotel operators'
11 occupation taxes imposed in the municipality imposing the tax.
12 The corporate authorities of the municipality shall deposit the
13 proceeds of the taxes imposed under subsections (11) and (12)
14 of Section 11-74.3-3 ~~(b), (c), and (d)~~ into a special fund ~~held~~
15 ~~by the corporate authorities~~ of the municipality called the
16 "[Name of] Business District Tax Allocation Fund" for the
17 purpose of paying or reimbursing business district project
18 costs and obligations incurred in the payment of those costs.

19 (b) The corporate authorities of a municipality that has
20 designated ~~established~~ a business district under this Law
21 Division 74.3 may, by ordinance ~~or resolution~~, impose a
22 Business District Retailers' Occupation Tax upon all persons
23 engaged in the business of selling tangible personal property,
24 other than an item of tangible personal property titled or
25 registered with an agency of this State's government, at retail
26 in the business district at a rate not to exceed 1% of the

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

12 The tax imposed under this subsection and all civil
13 penalties that may be assessed as an incident thereof shall be
14 collected and enforced by the Department of Revenue. The
15 certificate of registration that is issued by the Department to
16 a retailer under the Retailers' Occupation Tax Act shall permit
17 the retailer to engage in a business that is taxable under any
18 ordinance or resolution enacted pursuant to this subsection
19 without registering separately with the Department under such
20 ordinance or resolution or under this subsection. The
21 Department of Revenue shall have full power to administer and
22 enforce this subsection; to collect all taxes and penalties due
23 under this subsection in the manner hereinafter provided; and
24 to determine all rights to credit memoranda arising on account
25 of the erroneous payment of tax or penalty under this
26 subsection. In the administration of, and compliance with, this

1 subsection, the Department and persons who are subject to this
2 subsection shall have the same rights, remedies, privileges,
3 immunities, powers and duties, and be subject to the same
4 conditions, restrictions, limitations, penalties, exclusions,
5 exemptions, and definitions of terms and employ the same modes
6 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
7 through 2-65 (in respect to all provisions therein other than
8 the State rate of tax), 2c through 2h, 3 (except as to the
9 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
10 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
11 12, 13, and 14 of the Retailers' Occupation Tax Act and all
12 provisions of the Uniform Penalty and Interest Act, as fully as
13 if those provisions were set forth herein.

14 Persons subject to any tax imposed under this subsection
15 may reimburse themselves for their seller's tax liability under
16 this subsection by separately stating the tax as an additional
17 charge, which charge may be stated in combination, in a single
18 amount, with State taxes that sellers are required to collect
19 under the Use Tax Act, in accordance with such bracket
20 schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this subsection to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified and to the person named in the notification
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the business district retailers' occupation
2 tax fund.

3 The Department shall immediately pay over to the State
4 Treasurer, ex officio, as trustee, all taxes, penalties, and
5 interest collected under this subsection for deposit into the
6 business district retailers' occupation tax fund. On or before
7 the 25th day of each calendar month, the Department shall
8 prepare and certify to the Comptroller the disbursement of
9 stated sums of money to named municipalities from the business
10 district retailers' occupation tax fund, the municipalities to
11 be those from which retailers have paid taxes or penalties
12 under this subsection to the Department during the second
13 preceding calendar month. The amount to be paid to each
14 municipality shall be the amount (not including credit
15 memoranda) collected under this subsection during the second
16 preceding calendar month by the Department plus an amount the
17 Department determines is necessary to offset any amounts that
18 were erroneously paid to a different taxing body, and not
19 including an amount equal to the amount of refunds made during
20 the second preceding calendar month by the Department, less 2%
21 of that amount, which shall be deposited into the Tax
22 Compliance and Administration Fund and shall be used by the
23 Department, subject to appropriation, to cover the costs of the
24 Department in administering and enforcing the provisions of
25 this subsection, on behalf of such municipality, and not
26 including any amount that the Department determines is

1 necessary to offset any amounts that were payable to a
2 different taxing body but were erroneously paid to the
3 municipality. Within 10 days after receipt by the Comptroller
4 of the disbursement certification to the municipalities
5 provided for in this subsection to be given to the Comptroller
6 by the Department, the Comptroller shall cause the orders to be
7 drawn for the respective amounts in accordance with the
8 directions contained in the certification. The proceeds of the
9 tax paid to municipalities under this subsection shall be
10 deposited into the Business District Tax Allocation Fund by the
11 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 requirements
22 of 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

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

1 Department of Revenue and the retailer shall be held harmless
2 if they reasonably relied on information provided by the
3 municipality.

4 A municipality that imposes the tax under this subsection
5 must submit to the Department of Revenue any other information
6 as the Department may require for the administration and
7 enforcement of the tax.

8 When certifying the amount of a monthly disbursement to a
9 municipality under this subsection, the Department shall
10 increase or decrease the amount by an amount necessary to
11 offset any misallocation of previous disbursements. The offset
12 amount shall be the amount erroneously disbursed within the
13 previous 6 months from the time a misallocation is discovered.

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

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

20 (c) If a tax has been imposed under subsection (b), a
21 Business District Service Occupation Tax shall also be imposed
22 upon all persons engaged, in the business district, in the
23 business of making sales of service, who, as an incident to
24 making those sales of service, transfer tangible personal
25 property within the business district, either in the form of
26 tangible personal property or in the form of real estate as an

1 incident to a sale of service. The tax shall be imposed at the
2 same rate as the tax imposed in subsection (b) and shall not
3 exceed 1% of the selling price of tangible personal property so
4 transferred within the business district, to be imposed only in
5 0.25% increments. The tax may not be imposed on food for human
6 consumption that is to be consumed off the premises where it is
7 sold (other than alcoholic beverages, soft drinks, and food
8 that has been prepared for immediate consumption),
9 prescription and nonprescription medicines, drugs, medical
10 appliances, modifications to a motor vehicle for the purpose of
11 rendering it usable by a disabled person, and insulin, urine
12 testing materials, syringes, and needles used by diabetics, for
13 human use.

14 The tax imposed under this subsection and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the Department of Revenue. The
17 certificate of registration which is issued by the Department
18 to a retailer under the Retailers' Occupation Tax Act or under
19 the Service Occupation Tax Act shall permit such registrant to
20 engage in a business which is taxable under any ordinance or
21 resolution enacted pursuant to this subsection without
22 registering separately with the Department under such
23 ordinance or resolution or under this subsection. The
24 Department of Revenue shall have full power to administer and
25 enforce this subsection; to collect all taxes and penalties due
26 under this subsection; to dispose of taxes and penalties so

1 collected in the manner hereinafter provided; and to determine
2 all rights to credit memoranda arising on account of the
3 erroneous payment of tax or penalty under this subsection. In
4 the administration of, and compliance with this subsection, the
5 Department and persons who are subject to this subsection shall
6 have the same rights, remedies, privileges, immunities, powers
7 and duties, and be subject to the same conditions,
8 restrictions, limitations, penalties, exclusions, exemptions,
9 and definitions of terms and employ the same modes of procedure
10 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
11 (in respect to all provisions therein other than the State rate
12 of tax), 4 (except that the reference to the State shall be to
13 the business district), 5, 7, 8 (except that the jurisdiction
14 to which the tax shall be a debt to the extent indicated in
15 that Section 8 shall be the municipality), 9 (except as to the
16 disposition of taxes and penalties collected, and except that
17 the returned merchandise credit for this tax may not be taken
18 against any State tax), 10, 11, 12 (except the reference
19 therein to Section 2b of the Retailers' Occupation Tax Act), 13
20 (except that any reference to the State shall mean the
21 municipality), the first paragraph of Section 15, and Sections
22 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all
23 provisions of the Uniform Penalty and Interest Act, as fully as
24 if those provisions were set forth herein.

25 Persons subject to any tax imposed under the authority
26 granted in this subsection may reimburse themselves for their

1 serviceman's tax liability hereunder by separately stating the
2 tax as an additional charge, which charge may be stated in
3 combination, in a single amount, with State tax that servicemen
4 are authorized to collect under the Service Use Tax Act, in
5 accordance with such bracket schedules as the Department may
6 prescribe.

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

15 The Department shall forthwith pay over to the State
16 Treasurer, ex-officio, as trustee, all taxes, penalties, and
17 interest collected under this subsection for deposit into the
18 business district retailers' occupation tax fund. On or before
19 the 25th day of each calendar month, the Department shall
20 prepare and certify to the Comptroller the disbursement of
21 stated sums of money to named municipalities from the business
22 district retailers' occupation tax fund, the municipalities to
23 be those from which suppliers and servicemen have paid taxes or
24 penalties under this subsection to the Department during the
25 second preceding calendar month. The amount to be paid to each
26 municipality shall be the amount (not including credit

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

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

1 the first day of October, whereupon, if all other conditions of
2 this subsection are met, the Department shall proceed to
3 administer and enforce this subsection as of the first day of
4 January next following the adoption and filing.

5 The Department of Revenue shall not administer or enforce
6 an ordinance imposing, discontinuing, or changing the rate of
7 the tax under this subsection, until the municipality also
8 provides, in the manner prescribed by the Department, the
9 boundaries of the business district in such a way that the
10 Department can determine by its address whether a business is
11 located in the business district. The municipality must provide
12 this boundary and address information to the Department on or
13 before April 1 for administration and enforcement of the tax
14 under this subsection by the Department beginning on the
15 following July 1 and on or before October 1 for administration
16 and enforcement of the tax under this subsection by the
17 Department beginning on the following January 1. The Department
18 of Revenue shall not administer or enforce any change made to
19 the boundaries of a business district or address change,
20 addition, or deletion until the municipality reports the
21 boundary change or address change, addition, or deletion to the
22 Department in the manner prescribed by the Department. The
23 municipality must provide this boundary change information or
24 address change, addition, or deletion to the Department on or
25 before April 1 for administration and enforcement by the
26 Department of the change beginning on the following July 1 and

1 on or before October 1 for administration and enforcement by
2 the Department of the change beginning on the following January
3 1. The retailers in the business district shall be responsible
4 for charging the tax imposed under this subsection. If a
5 retailer is incorrectly included or excluded from the list of
6 those required to collect the tax under this subsection, both
7 the Department of Revenue and the retailer shall be held
8 harmless if they reasonably relied on information provided by
9 the municipality.

10 A municipality that imposes the tax under this subsection
11 must submit to the Department of Revenue any other information
12 as the Department may require for the administration and
13 enforcement of the tax.

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

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

20 (d) By ordinance, a municipality that has designated
21 ~~established~~ a business district under this Law ~~Division 74.3~~
22 may impose an occupation tax upon all persons engaged in the
23 business district in the business of renting, leasing, or
24 letting rooms in a hotel, as defined in the Hotel Operators'
25 Occupation Tax Act, at a rate not to exceed 1% of the gross
26 rental receipts from the renting, leasing, or letting of hotel

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

1 tax liability for that tax by separately stating that tax as an
2 additional charge, which charge may be stated in combination,
3 in a single amount, with State taxes imposed under the Hotel
4 Operators' Occupation Tax Act, and with any other tax.

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

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

11 (e) Obligations secured by the Business District Tax
12 Allocation Fund may be issued to provide for the payment or
13 reimbursement of business district project costs. Those
14 obligations, when so issued, issued pursuant to subsection (14)
15 of Section 11-74.3-3 shall be retired in the manner provided in
16 the ordinance authorizing the issuance of those obligations by
17 the receipts of taxes imposed pursuant to subsections (11) and
18 (12) of Section 11-74.3-3 and by other revenue designated or
19 pledged by the municipality. A municipality may in the
20 ordinance pledge, for any period of time up to and including
21 the dissolution date, all or any part of the funds in and
22 levied as authorized in subsections (12) and (13) of Section
23 11-74.3-3. The ordinance shall pledge all of the amounts in and
24 to be deposited in the Business District Tax Allocation Fund to
25 the payment of business district project costs and obligations.
26 Whenever a municipality pledges all of the funds to the credit

1 of a business district tax allocation fund to secure
2 obligations issued or to be issued to pay or reimburse business
3 district project costs, the municipality may specifically
4 provide that funds remaining to the credit of such business
5 district tax allocation fund after the payment of such
6 obligations shall be accounted for annually and shall be deemed
7 to be "surplus" funds, and such "surplus" funds shall be
8 expended by the municipality for any business district project
9 cost as approved in the business district plan. Whenever a
10 municipality pledges less than all of the monies to the credit
11 of a business district tax allocation fund to secure
12 obligations issued or to be issued to pay or reimburse business
13 district project costs, the municipality shall provide that
14 monies to the credit of the business district tax allocation
15 fund and not subject to such pledge or otherwise encumbered or
16 required for payment of contractual obligations for specific
17 business district project costs shall be calculated annually
18 and shall be deemed to be "surplus" funds, and such "surplus"
19 funds shall be expended by the municipality for any business
20 district project cost as approved in the business district
21 plan. Obligations issued pursuant to subsection (14) of Section
22 ~~11-74.3-3 may be sold at public or private sale at a price~~
23 ~~determined by the corporate authorities of the municipality and~~
24 ~~no referendum approval of the electors shall be required as a~~
25 ~~condition to the issuance of those obligations. The ordinance~~
26 ~~authorizing the obligations may require that the obligations~~

1 ~~contain a recital that they are issued pursuant to subsection~~
2 ~~(14) of Section 11-74.3-3 and this recital shall be conclusive~~
3 ~~evidence of their validity and of the regularity of their~~
4 ~~issuance. The corporate authorities of the municipality may~~
5 ~~also issue its obligations to refund, in whole or in part,~~
6 ~~obligations previously issued by the municipality under the~~
7 ~~authority of this Code, whether at or prior to maturity. All~~
8 ~~obligations issued pursuant to subsection (14) of Section~~
9 ~~11-74.3-3 shall not be regarded as indebtedness of the~~
10 ~~municipality issuing the obligations for the purpose of any~~
11 ~~limitation imposed by law.~~

12 No obligation issued pursuant to this Law and secured by a
13 pledge of all or any portion of any revenues received or to be
14 received by the municipality from the imposition of taxes
15 pursuant to subsection (11) of Section 11-74.3-3, shall be
16 deemed to constitute an economic incentive agreement under
17 Section 8-11-20, notwithstanding the fact that such pledge
18 provides for the sharing, rebate, or payment of retailers'
19 occupation taxes or service occupation taxes imposed pursuant
20 to subsection (11) of Section 11-74.3-3 and received or to be
21 received by the municipality from the development or
22 redevelopment of properties in the business district.

23 Without limiting the foregoing in this Section, the
24 municipality may further secure obligations secured by the
25 business district tax allocation fund with a pledge, for a
26 period not greater than the term of the obligations and in any

1 case not longer than the dissolution date, of any part or any
2 combination of the following: (i) net revenues of all or part
3 of any business district project; (ii) taxes levied or imposed
4 by the municipality on any or all property in the municipality,
5 including, specifically, taxes levied or imposed by the
6 municipality in a special service area pursuant to the Special
7 Service Area Tax Law; (iii) the full faith and credit of the
8 municipality; (iv) a mortgage on part or all of the business
9 district project; or (v) any other taxes or anticipated
10 receipts that the municipality may lawfully pledge.

11 Such obligations may be issued in one or more series, bear
12 such date or dates, become due at such time or times as therein
13 provided, but in any case not later than (i) 20 years after the
14 date of issue or (ii) the dissolution date, whichever is
15 earlier, bear interest payable at such intervals and at such
16 rate or rates as set forth therein, except as may be limited by
17 applicable law, which rate or rates may be fixed or variable,
18 be in such denominations, be in such form, either coupon,
19 registered, or book-entry, carry such conversion, registration
20 and exchange privileges, be subject to defeasance upon such
21 terms, have such rank or priority, be executed in such manner,
22 be payable in such medium or payment at such place or places
23 within or without the State, make provision for a corporate
24 trustee within or without the State with respect to such
25 obligations, prescribe the rights, powers, and duties thereof
26 to be exercised for the benefit of the municipality and the

1 benefit of the owners of such obligations, provide for the
2 holding in trust, investment, and use of moneys, funds, and
3 accounts held under an ordinance, provide for assignment of and
4 direct payment of the moneys to pay such obligations or to be
5 deposited into such funds or accounts directly to such trustee,
6 be subject to such terms of redemption with or without premium,
7 and be sold at such price, all as the corporate authorities
8 shall determine. No referendum approval of the electors shall
9 be required as a condition to the issuance of obligations
10 pursuant to this Law except as provided in this Section.

11 In the event the municipality authorizes the issuance of
12 obligations pursuant to the authority of this Law secured by
13 the full faith and credit of the municipality, or pledges ad
14 valorem taxes pursuant to this subsection, which obligations
15 are other than obligations which may be issued under home rule
16 powers provided by Section 6 of Article VII of the Illinois
17 Constitution or which ad valorem taxes are other than ad
18 valorem taxes which may be pledged under home rule powers
19 provided by Section 6 of Article VII of the Illinois
20 Constitution or which are levied in a special service area
21 pursuant to the Special Service Area Tax Law, the ordinance
22 authorizing the issuance of those obligations or pledging those
23 taxes shall be published within 10 days after the ordinance has
24 been adopted, in a newspaper having a general circulation
25 within the municipality. The publication of the ordinance shall
26 be accompanied by a notice of (i) the specific number of voters

1 required to sign a petition requesting the question of the
2 issuance of the obligations or pledging such ad valorem taxes
3 to be submitted to the electors; (ii) the time within which the
4 petition must be filed; and (iii) the date of the prospective
5 referendum. The municipal clerk shall provide a petition form
6 to any individual requesting one.

7 If no petition is filed with the municipal clerk, as
8 hereinafter provided in this Section, within 21 days after the
9 publication of the ordinance, the ordinance shall be in effect.
10 However, if within that 21-day period a petition is filed with
11 the municipal clerk, signed by electors numbering not less than
12 15% of the number of electors voting for the mayor or president
13 at the last general municipal election, asking that the
14 question of issuing obligations using full faith and credit of
15 the municipality as security for the cost of paying or
16 reimbursing business district project costs, or of pledging
17 such ad valorem taxes for the payment of those obligations, or
18 both, be submitted to the electors of the municipality, the
19 municipality shall not be authorized to issue obligations of
20 the municipality using the full faith and credit of the
21 municipality as security or pledging such ad valorem taxes for
22 the payment of those obligations, or both, until the
23 proposition has been submitted to and approved by a majority of
24 the voters voting on the proposition at a regularly scheduled
25 election. The municipality shall certify the proposition to the
26 proper election authorities for submission in accordance with

1 the general election law.

2 The ordinance authorizing the obligations may provide that
3 the obligations shall contain a recital that they are issued
4 pursuant to this Law, which recital shall be conclusive
5 evidence of their validity and of the regularity of their
6 issuance.

7 In the event the municipality authorizes issuance of
8 obligations pursuant to this Law secured by the full faith and
9 credit of the municipality, the ordinance authorizing the
10 obligations may provide for the levy and collection of a direct
11 annual tax upon all taxable property within the municipality
12 sufficient to pay the principal thereof and interest thereon as
13 it matures, which levy may be in addition to and exclusive of
14 the maximum of all other taxes authorized to be levied by the
15 municipality, which levy, however, shall be abated to the
16 extent that monies from other sources are available for payment
17 of the obligations and the municipality certifies the amount of
18 those monies available to the county clerk.

19 A certified copy of the ordinance shall be filed with the
20 county clerk of each county in which any portion of the
21 municipality is situated, and shall constitute the authority
22 for the extension and collection of the taxes to be deposited
23 in the business district tax allocation fund.

24 A municipality may also issue its obligations to refund, in
25 whole or in part, obligations theretofore issued by the
26 municipality under the authority of this Law, whether at or

1 prior to maturity. However, the last maturity of the refunding
2 obligations shall not be expressed to mature later than the
3 dissolution date.

4 In the event a municipality issues obligations under home
5 rule powers or other legislative authority, the proceeds of
6 which are pledged to pay or reimburse business district project
7 costs, the municipality may, if it has followed the procedures
8 in conformance with this Law, retire those obligations from
9 funds in the business district tax allocation fund in amounts
10 and in such manner as if those obligations had been issued
11 pursuant to the provisions of this Law.

12 No obligations issued pursuant to this Law shall be
13 regarded as indebtedness of the municipality issuing those
14 obligations or any other taxing district for the purpose of any
15 limitation imposed by law.

16 Obligations issued pursuant to this Law shall not be
17 subject to the provisions of the Bond Authorization Act.

18 (f) When business district project costs, including,
19 without limitation, all ~~municipal~~ obligations paying or
20 reimbursing ~~financing~~ business district project costs ~~incurred~~
21 ~~under Section 11-74.3-3~~ have been paid, any surplus funds then
22 remaining in the Business District Tax Allocation Fund shall be
23 distributed to the municipal treasurer for deposit into the
24 ~~municipal~~ general corporate fund of the municipality. Upon
25 payment of all business district project costs and retirement
26 of all obligations paying or reimbursing business district

1 project costs, but in no event more than 23 years after the
2 date of adoption of the ordinance imposing taxes pursuant to
3 subsections (11) or (12) of Section 11-74.3-3, the municipality
4 shall adopt an ordinance immediately rescinding the taxes
5 imposed pursuant to said subsections. ~~approving the business~~
6 ~~district development or redevelopment plan, the municipality~~
7 ~~shall adopt an ordinance immediately rescinding the taxes~~
8 ~~imposed pursuant to subsections (12) and (13) of Section~~
9 ~~11-74.3-3.~~

10 (Source: P.A. 93-1053, eff. 1-1-05; 93-1089, eff. 3-7-05.)

11 (65 ILCS 5/11-74.3-7 new)

12 Sec. 11-74.3-7. Existing business districts. Except as
13 hereinafter provided, business districts that were designated
14 prior to the effective date of this amendatory Act of the 96th
15 General Assembly shall continue to operate and be governed by
16 the terms of this Law in effect prior to the effective date of
17 this amendatory Act of the 96th General Assembly. Any
18 municipality which has designated a business district prior to
19 the effective date of this amendatory Act of the 96th General
20 Assembly may, by ordinance, amend or supplement any proceedings
21 taken in connection with the designation of a business district
22 as shall be necessary to provide that this amendatory Act of
23 the 96th General Assembly shall apply to such business
24 district.

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.