



Sen. Kwame Raoul

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LRB096 23972 KMW 44286 a

1 AMENDMENT TO SENATE BILL 3952

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3952 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 11-74.3-2, 11-74.3-3, 11-74.3-5, 11-74.3-6,  
6 and 11-74.4-4 as follows:

7 (65 ILCS 5/11-74.3-2) (from Ch. 24, par. 11-74.3-2)

8 Sec. 11-74.3-2. Procedures to designate business  
9 districts; ordinances; notice; hearings.

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

15 (b) Notice of the public hearing shall be given by  
16 publication at least twice, the first publication to be not

1 more than 30 nor less than 10 days prior to the hearing, in a  
2 newspaper of general circulation within the municipality. Each  
3 notice published pursuant to this Section shall include the  
4 following:

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

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

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

10 (4) A description of the business district plan if a  
11 business district plan is a subject matter of the public  
12 hearing;

13 (5) The rate of any tax to be imposed pursuant to  
14 subsection (10) ~~(11)~~ or (11) ~~(12)~~ of Section 11-74.3-3;

15 (6) An invitation for any person to submit alternate  
16 proposals or bids for any proposed conveyance, lease,  
17 mortgage, or other disposition by the municipality of land  
18 or rights in land owned by the municipality and located  
19 within the proposed business district; and

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

22 (c) At the public hearing any interested person may file  
23 written objections with the municipal clerk and may be heard  
24 orally with respect to any matters embodied in the notice. The  
25 municipality shall hear and determine all alternate proposals  
26 or bids for any proposed conveyance, lease, mortgage, or other

1 disposition by the municipality of land or rights in land owned  
2 by the municipality and located within the proposed business  
3 district and all protests and objections at the hearing,  
4 provided, however, that the corporate authorities of the  
5 municipality may establish reasonable rules regarding the  
6 length of time provided to members of the general public. The  
7 hearing may be adjourned to another date without further notice  
8 other than a motion to be entered upon the minutes fixing the  
9 time and place of the adjourned hearing. Public hearings with  
10 regard to approval of a business district plan or designation  
11 of a business district may be held simultaneously.

12 (d) At the public hearing or at any time prior to the  
13 adoption by the municipality of an ordinance approving a  
14 business district plan, the municipality may make changes in  
15 the business district plan. Changes which do not (i) alter the  
16 exterior boundaries of the proposed business district, (ii)  
17 substantially affect the general land uses described in the  
18 proposed business district plan, (iii) substantially change  
19 the nature of any proposed business district project, (iv)  
20 change the description of any proposed developer, user, or  
21 tenant of any property to be located or improved within the  
22 proposed business district, (v) increase the total estimated  
23 business district project costs set out in the business  
24 district plan by more than 5%, (vi) add additional business  
25 district costs to the itemized list of estimated business  
26 district costs as proposed in the business district plan, or

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

26 (e) By ordinance adopted within 90 days of the final

1 adjournment of the public hearing a municipality may approve  
2 the business district plan and designate the business district.  
3 Any ordinance adopted which approves a business district plan  
4 shall contain findings that the business district on the whole  
5 has not been subject to growth and development through  
6 investment by private enterprises and would not reasonably be  
7 anticipated to be developed or redeveloped without the adoption  
8 of the business district plan. Any ordinance adopted which  
9 designates a business district shall contain the boundaries of  
10 such business district by legal description and, where  
11 possible, by street location, a finding that the business  
12 district plan conforms to the comprehensive plan for the  
13 development of the municipality as a whole, or, for  
14 municipalities with a population of 100,000 or more, regardless  
15 of when the business district plan was approved, the business  
16 district plan either (i) conforms to the strategic economic  
17 development or redevelopment plan issued by the designated  
18 planning authority or the municipality or (ii) includes land  
19 uses that have been approved by the planning commission of the  
20 municipality, and, for any business district in which the  
21 municipality intends to impose taxes as provided in subsection  
22 (10) ~~(11)~~ or (11) ~~(12)~~ of Section 11-74.3-3, a specific finding  
23 that the business district qualifies as a blighted area as  
24 defined in Section 11-74.3-5.

25 (f) After a municipality has by ordinance approved a  
26 business district plan and designated a business district, the

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

1 the business district plan, (iii) substantially change the  
2 nature of any business district project, (iv) change the  
3 description of any developer, user, or tenant of any property  
4 to be located or improved within the proposed business  
5 district, (v) increase the total estimated business district  
6 project costs set out in the business district plan by more  
7 than 5% after adjustment for inflation from the date the  
8 business district plan was approved, (vi) add additional  
9 business district costs to the itemized list of estimated  
10 business district costs as approved in the business district  
11 plan, or (vii) impose or increase the rate of any tax to be  
12 imposed pursuant to subsection (10) ~~(11)~~ or (11) ~~(12)~~ of  
13 Section 11-74.3-3 may be made by the municipality only after  
14 the municipality by ordinance fixes a time and place for, gives  
15 notice by publication of, and conducts a public hearing  
16 pursuant to the procedures set forth in this Section.

17 (Source: P.A. 96-1394, eff. 7-29-10; revised 9-7-10.)

18 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

19 Sec. 11-74.3-3. Powers of municipalities. In addition to  
20 the powers a municipality may now have, a municipality shall  
21 have the following powers:

22 (1) To make and enter into all contracts necessary or  
23 incidental to the implementation and furtherance of a  
24 business district plan. A contract by and between the  
25 municipality and any developer or other nongovernmental

1 person to pay or reimburse said developer or other  
2 nongovernmental person for business district project costs  
3 incurred or to be incurred by said developer or other  
4 nongovernmental person shall not be deemed an economic  
5 incentive agreement under Section 8-11-20, notwithstanding  
6 the fact that such contract provides for the sharing,  
7 rebate, or payment of retailers' occupation taxes or  
8 service occupation taxes (including, without limitation,  
9 taxes imposed pursuant to subsection (10) ~~(11)~~) the  
10 municipality receives from the development or  
11 redevelopment of properties in the business district.  
12 Contracts entered into pursuant to this subsection shall be  
13 binding upon successor corporate authorities of the  
14 municipality and any party to such contract may seek to  
15 enforce and compel performance of the contract by civil  
16 action, mandamus, injunction, or other proceeding.

17 (2) Within a business district, to acquire by purchase,  
18 donation, or lease, and to own, convey, lease, mortgage, or  
19 dispose of land and other real or personal property or  
20 rights or interests therein; and to grant or acquire  
21 licenses, easements, and options with respect thereto, all  
22 in the manner and at such price authorized by law. No  
23 conveyance, lease, mortgage, disposition of land or other  
24 property acquired by the municipality, or agreement  
25 relating to the development of property, shall be made or  
26 executed except pursuant to prior official action of the



1           municipality. No conveyance, lease, mortgage, or other  
2           disposition of land owned by the municipality, and no  
3           agreement relating to the development of property, within a  
4           business district shall be made without making public  
5           disclosure of the terms and disposition of all bids and  
6           proposals submitted to the municipality in connection  
7           therewith.

8           (2.5) To acquire property by eminent domain in  
9           accordance with the Eminent Domain Act.

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

14          (4) To install, repair, construct, reconstruct, or  
15          relocate public streets, public utilities, and other  
16          public site improvements within or without a business  
17          district which are essential to the preparation of a  
18          business district for use in accordance with a business  
19          district plan.

20          (5) To renovate, rehabilitate, reconstruct, relocate,  
21          repair, or remodel any existing buildings, structures,  
22          works, utilities, or fixtures within any business  
23          district.

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

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

5           (8) To pay or cause to be paid business district  
6 project costs. Any payments to be made by the municipality  
7 to developers or other nongovernmental persons for  
8 business district project costs incurred by such developer  
9 or other nongovernmental person shall be made only pursuant  
10 to the prior official action of the municipality evidencing  
11 an intent to pay or cause to be paid such business district  
12 project costs. A municipality is not required to obtain any  
13 right, title, or interest in any real or personal property  
14 in order to pay business district project costs associated  
15 with such property. The municipality shall adopt such  
16 accounting procedures as shall be necessary to determine  
17 that such business district project costs are properly  
18 paid.

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

22           (10) If the municipality has by ordinance found and  
23 determined that the business district is a blighted area  
24 under this Law, to impose a retailers' occupation tax and a  
25 service occupation tax in the business district for the  
26 planning, execution, and implementation of business

1 district plans and to pay for business district project  
2 costs as set forth in the business district plan approved  
3 by the municipality.

4 (11) If the municipality has by ordinance found and  
5 determined that the business district is a blighted area  
6 under this Law, to impose a hotel operators' occupation tax  
7 in the business district for the planning, execution, and  
8 implementation of business district plans and to pay for  
9 the business district project costs as set forth in the  
10 business district plan approved by the municipality. ▯

11 (Source: P.A. 96-1394, eff. 7-29-10; revised 9-7-10.)

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

13 Sec. 11-74.3-5. Definitions. The following terms as used in  
14 this Law shall have the following meanings:

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

25 "Business district" means a contiguous area which includes

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

8 "Business district plan" shall mean the written plan for  
9 the development or redevelopment of a business district. Each  
10 business district plan shall set forth in writing: (i) a  
11 specific description of the boundaries of the proposed business  
12 district, including a map illustrating the boundaries; (ii) a  
13 general description of each project proposed to be undertaken  
14 within the business district, including a description of the  
15 approximate location of each project and a description of any  
16 developer, user, or tenant of any property to be located or  
17 improved within the proposed business district; (iii) the name  
18 of the proposed business district; (iv) the estimated business  
19 district project costs; (v) the anticipated source of funds to  
20 pay business district project costs; (vi) the anticipated type  
21 and terms of any obligations to be issued; and (vii) the rate  
22 of any tax to be imposed pursuant to subsection (10) ~~(11)~~ or  
23 (11) ~~(12)~~ of Section 11-74.3-3 and the period of time for which  
24 the tax shall be imposed.

25 "Business district project costs" shall mean and include  
26 the sum total of all costs incurred by a municipality, other

1 governmental entity, or nongovernmental person in connection  
2 with a business district, in the furtherance of a business  
3 district plan, including, without limitation, the following:

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

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

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

22 (4) costs of installation, repair, construction,  
23 reconstruction, extension, or relocation of public  
24 streets, public utilities, and other public site  
25 improvements within or without the business district which  
26 are essential to the preparation of the business district

1 for use in accordance with the business district plan, and  
2 specifically including payments to developers or other  
3 nongovernmental persons as reimbursement for site  
4 preparation costs incurred by the developer or  
5 nongovernmental person;

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

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

19 (7) financing costs, including but not limited to all  
20 necessary and incidental expenses related to the issuance  
21 of obligations, payment of any interest on any obligations  
22 issued under this Law that accrues during the estimated  
23 period of construction of any development or redevelopment  
24 project for which those obligations are issued and for not  
25 exceeding 36 months thereafter, and any reasonable  
26 reserves related to the issuance of those obligations; and

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

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

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

13          (Source: P.A. 96-1394, eff. 7-29-10; revised 9-7-10.)

14          (65 ILCS 5/11-74.3-6)

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

17          (a) If the corporate authorities of a municipality have  
18          approved a business district plan, have designated a business  
19          district, and have elected to impose a tax by ordinance  
20          pursuant to subsection (10) ~~(11)~~ or (11) ~~(12)~~ of Section  
21          11-74.3-3, then each year after the date of the approval of the  
22          ordinance but terminating upon the date all business district  
23          project costs and all obligations paying or reimbursing  
24          business district project costs, if any, have been paid, but in  
25          no event later than the dissolution date, all amounts generated

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

16 (b) The corporate authorities of a municipality that has  
17 designated a business district under this Law may, by  
18 ordinance, impose a Business District Retailers' Occupation  
19 Tax upon all persons engaged in the business of selling  
20 tangible personal property, other than an item of tangible  
21 personal property titled or registered with an agency of this  
22 State's government, at retail in the business district at a  
23 rate not to exceed 1% of the gross receipts from the sales made  
24 in the course of such business, to be imposed only in 0.25%  
25 increments. The tax may not be imposed on food for human  
26 consumption that is to be consumed off the premises where it is



1 sold (other than alcoholic beverages, soft drinks, and food  
2 that has been prepared for immediate consumption),  
3 prescription and nonprescription medicines, drugs, medical  
4 appliances, modifications to a motor vehicle for the purpose of  
5 rendering it usable by a disabled person, and insulin, urine  
6 testing materials, syringes, and needles used by diabetics, for  
7 human use.

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

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

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

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

25 The Department shall immediately pay over to the State  
26 Treasurer, ex officio, as trustee, all taxes, penalties, and

1 interest collected under this subsection for deposit into the  
2 business district retailers' occupation tax fund.

3 As soon as possible after the first day of each month,  
4 beginning January 1, 2011, upon certification of the Department  
5 of Revenue, the Comptroller shall order transferred, and the  
6 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
7 local sales tax increment, as defined in the Innovation  
8 Development and Economy Act, collected under this subsection  
9 during the second preceding calendar month for sales within a  
10 STAR bond district.

11 After the monthly transfer to the STAR Bonds Revenue Fund,  
12 on or before the 25th day of each calendar month, the  
13 Department shall prepare and certify to the Comptroller the  
14 disbursement of stated sums of money to named municipalities  
15 from the business district retailers' occupation tax fund, the  
16 municipalities to be those from which retailers have paid taxes  
17 or penalties under this subsection to the Department during the  
18 second preceding calendar month. The amount to be paid to each  
19 municipality shall be the amount (not including credit  
20 memoranda) collected under this subsection during the second  
21 preceding calendar month by the Department plus an amount the  
22 Department determines is necessary to offset any amounts that  
23 were erroneously paid to a different taxing body, and not  
24 including an amount equal to the amount of refunds made during  
25 the second preceding calendar month by the Department, less 2%  
26 of that amount, which shall be deposited into the Tax

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

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

1 October, whereupon, if all other requirements of this  
2 subsection are met, the Department shall proceed to administer  
3 and enforce this subsection as of the first day of January next  
4 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 and each address in the  
10 business district in such a way that the Department can  
11 determine by its address whether a business is located in the  
12 business district. The municipality must provide this boundary  
13 and address information to the Department on or before April 1  
14 for administration and enforcement of the tax under this  
15 subsection by the Department beginning on the following July 1  
16 and on or before October 1 for administration and enforcement  
17 of the tax under this subsection by the Department beginning on  
18 the following January 1. The Department of Revenue shall not  
19 administer or enforce any change made to the boundaries of a  
20 business district or address change, addition, or deletion  
21 until the municipality reports the boundary change or address  
22 change, addition, or deletion to the Department in the manner  
23 prescribed by the Department. The municipality must provide  
24 this boundary change information or address change, addition,  
25 or deletion to the Department on or before April 1 for  
26 administration and enforcement by the Department of the change

1 beginning on the following July 1 and on or before October 1  
2 for administration and enforcement by the Department of the  
3 change beginning on the following January 1. The retailers in  
4 the business district shall be responsible for charging the tax  
5 imposed under this subsection. If a retailer is incorrectly  
6 included or excluded from the list of those required to collect  
7 the tax under this subsection, both the Department of Revenue  
8 and the retailer shall be held harmless if they reasonably  
9 relied on information provided by 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 When certifying the amount of a monthly disbursement to a  
15 municipality under this subsection, the Department shall  
16 increase or decrease the amount by an amount necessary to  
17 offset any misallocation of previous disbursements. The offset  
18 amount shall be the amount erroneously disbursed within the  
19 previous 6 months from the time a misallocation is discovered.

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

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

26 (c) If a tax has been imposed under subsection (b), a

1 Business District Service Occupation Tax shall also be imposed  
2 upon all persons engaged, in the business district, in the  
3 business of making sales of service, who, as an incident to  
4 making those sales of service, transfer tangible personal  
5 property within the business district, either in the form of  
6 tangible personal property or in the form of real estate as an  
7 incident to a sale of service. The tax shall be imposed at the  
8 same rate as the tax imposed in subsection (b) and shall not  
9 exceed 1% of the selling price of tangible personal property so  
10 transferred within the business district, to be imposed only in  
11 0.25% increments. The tax may not be imposed on food for human  
12 consumption that is to be consumed off the premises where it is  
13 sold (other than alcoholic beverages, soft drinks, and food  
14 that has been prepared for immediate consumption),  
15 prescription and nonprescription medicines, drugs, medical  
16 appliances, modifications to a motor vehicle for the purpose of  
17 rendering it usable by a disabled person, and insulin, urine  
18 testing materials, syringes, and needles used by diabetics, for  
19 human use.

20 The tax imposed under this subsection and all civil  
21 penalties that may be assessed as an incident thereof shall be  
22 collected and enforced by the Department of Revenue. The  
23 certificate of registration which is issued by the Department  
24 to a retailer under the Retailers' Occupation Tax Act or under  
25 the Service Occupation Tax Act shall permit such registrant to  
26 engage in a business which is taxable under any ordinance or

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



1 municipality), the first paragraph of Section 15, and Sections  
2 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all  
3 provisions of the Uniform Penalty and Interest Act, as fully as  
4 if those provisions were set forth herein.

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

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

21 The Department shall forthwith pay over to the State  
22 Treasurer, ex-officio, as trustee, all taxes, penalties, and  
23 interest collected under this subsection for deposit into the  
24 business district retailers' occupation tax fund.

25 As soon as possible after the first day of each month,  
26 beginning January 1, 2011, upon certification of the Department

1 of Revenue, the Comptroller shall order transferred, and the  
2 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
3 local sales tax increment, as defined in the Innovation  
4 Development and Economy Act, collected under this subsection  
5 during the second preceding calendar month for sales within a  
6 STAR bond district.

7 After the monthly transfer to the STAR Bonds Revenue Fund,  
8 on or before the 25th day of each calendar month, the  
9 Department shall prepare and certify to the Comptroller the  
10 disbursement of stated sums of money to named municipalities  
11 from the business district retailers' occupation tax fund, the  
12 municipalities to be those from which suppliers and servicemen  
13 have paid taxes or penalties under this subsection to the  
14 Department during the second preceding calendar month. The  
15 amount to be paid to each municipality shall be the amount (not  
16 including credit memoranda) collected under this subsection  
17 during the second preceding calendar month by the Department,  
18 less 2% of that amount, which shall be deposited into the Tax  
19 Compliance and Administration Fund and shall be used by the  
20 Department, subject to appropriation, to cover the costs of the  
21 Department in administering and enforcing the provisions of  
22 this subsection, and not including an amount equal to the  
23 amount of refunds made during the second preceding calendar  
24 month by the Department on behalf of such municipality, and not  
25 including any amounts that are transferred to the STAR Bonds  
26 Revenue Fund. Within 10 days after receipt, by the Comptroller,

1 of the disbursement certification to the municipalities,  
2 provided for in this subsection to be given to the Comptroller  
3 by the Department, the Comptroller shall cause the orders to be  
4 drawn for the respective amounts in accordance with the  
5 directions contained in such certification. The proceeds of the  
6 tax paid to municipalities under this subsection shall be  
7 deposited into the Business District Tax Allocation Fund by the  
8 municipality.

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

22 The Department of Revenue shall not administer or enforce  
23 an ordinance imposing, discontinuing, or changing the rate of  
24 the tax under this subsection, until the municipality also  
25 provides, in the manner prescribed by the Department, the  
26 boundaries of the business district in such a way that the

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

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

5           Nothing in this subsection shall be construed to authorize  
6 the 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 the State.

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

11           (d) By ordinance, a municipality that has designated a  
12 business district under this Law may impose an occupation tax  
13 upon all persons engaged in the business district in the  
14 business of renting, leasing, or letting rooms in a hotel, as  
15 defined in the Hotel Operators' Occupation Tax Act, at a rate  
16 not to exceed 1% of the gross rental receipts from the renting,  
17 leasing, or letting of hotel rooms within the business  
18 district, to be imposed only in 0.25% increments, excluding,  
19 however, from gross rental receipts the proceeds of renting,  
20 leasing, or letting to permanent residents of a hotel, as  
21 defined in the Hotel Operators' Occupation Tax Act, and  
22 proceeds from the tax imposed under subsection (c) of Section  
23 13 of the Metropolitan Pier and Exposition Authority Act.

24           The tax imposed by the municipality under this subsection  
25 and all civil penalties that may be assessed as an incident to  
26 that tax shall be collected and enforced by the municipality

1 imposing the tax. The municipality shall have full power to  
2 administer and enforce this subsection, to collect all taxes  
3 and penalties due under this subsection, to dispose of taxes  
4 and penalties so collected in the manner provided in this  
5 subsection, and to determine all rights to credit memoranda  
6 arising on account of the erroneous payment of tax or penalty  
7 under this subsection. In the administration of and compliance  
8 with this subsection, the municipality and persons who are  
9 subject to this subsection shall have the same rights,  
10 remedies, privileges, immunities, powers, and duties, shall be  
11 subject to the same conditions, restrictions, limitations,  
12 penalties, and definitions of terms, and shall employ the same  
13 modes of procedure as are employed with respect to a tax  
14 adopted by the municipality under Section 8-3-14 of this Code.

15 Persons subject to any tax imposed under the authority  
16 granted in this subsection may reimburse themselves for their  
17 tax liability for that tax by separately stating that tax as an  
18 additional charge, which charge may be stated in combination,  
19 in a single amount, with State taxes imposed under the Hotel  
20 Operators' Occupation Tax Act, and with any other tax.

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

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

1           (e) Obligations secured by the Business District Tax  
2 Allocation Fund may be issued to provide for the payment or  
3 reimbursement of business district project costs. Those  
4 obligations, when so issued, shall be retired in the manner  
5 provided in the ordinance authorizing the issuance of those  
6 obligations by the receipts of taxes imposed pursuant to  
7 subsections (10) ~~(11)~~ and (11) ~~(12)~~ of Section 11-74.3-3 and by  
8 other revenue designated or pledged by the municipality. A  
9 municipality may in the ordinance pledge, for any period of  
10 time up to and including the dissolution date, all or any part  
11 of the funds in and to be deposited in the Business District  
12 Tax Allocation Fund to the payment of business district project  
13 costs and obligations. Whenever a municipality pledges all of  
14 the funds to the credit of a business district tax allocation  
15 fund to secure obligations issued or to be issued to pay or  
16 reimburse business district project costs, the municipality  
17 may specifically provide that funds remaining to the credit of  
18 such business district tax allocation fund after the payment of  
19 such obligations shall be accounted for annually and shall be  
20 deemed to be "surplus" funds, and such "surplus" funds shall be  
21 expended by the municipality for any business district project  
22 cost as approved in the business district plan. Whenever a  
23 municipality pledges less than all of the monies to the credit  
24 of a business district tax allocation fund to secure  
25 obligations issued or to be issued to pay or reimburse business  
26 district project costs, the municipality shall provide that

1 monies to the credit of the business district tax allocation  
2 fund and not subject to such pledge or otherwise encumbered or  
3 required for payment of contractual obligations for specific  
4 business district project costs shall be calculated annually  
5 and shall be deemed to be "surplus" funds, and such "surplus"  
6 funds shall be expended by the municipality for any business  
7 district project cost as approved in the business district  
8 plan.

9 No obligation issued pursuant to this Law and secured by a  
10 pledge of all or any portion of any revenues received or to be  
11 received by the municipality from the imposition of taxes  
12 pursuant to subsection (10) ~~(11)~~ of Section 11-74.3-3, shall be  
13 deemed to constitute an economic incentive agreement under  
14 Section 8-11-20, notwithstanding the fact that such pledge  
15 provides for the sharing, rebate, or payment of retailers'  
16 occupation taxes or service occupation taxes imposed pursuant  
17 to subsection (10) ~~(11)~~ of Section 11-74.3-3 and received or to  
18 be received by the municipality from the development or  
19 redevelopment of properties in the business district.

20 Without limiting the foregoing in this Section, the  
21 municipality may further secure obligations secured by the  
22 business district tax allocation fund with a pledge, for a  
23 period not greater than the term of the obligations and in any  
24 case not longer than the dissolution date, of any part or any  
25 combination of the following: (i) net revenues of all or part  
26 of any business district project; (ii) taxes levied or imposed



1 by the municipality on any or all property in the municipality,  
2 including, specifically, taxes levied or imposed by the  
3 municipality in a special service area pursuant to the Special  
4 Service Area Tax Law; (iii) the full faith and credit of the  
5 municipality; (iv) a mortgage on part or all of the business  
6 district project; or (v) any other taxes or anticipated  
7 receipts that the municipality may lawfully pledge.

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

1 direct payment of the moneys to pay such obligations or to be  
2 deposited into such funds or accounts directly to such trustee,  
3 be subject to such terms of redemption with or without premium,  
4 and be sold at such price, all as the corporate authorities  
5 shall determine. No referendum approval of the electors shall  
6 be required as a condition to the issuance of obligations  
7 pursuant to this Law except as provided in this Section.

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

1 petition must be filed; and (iii) the date of the prospective  
2 referendum. The municipal clerk shall provide a petition form  
3 to any individual requesting one.

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

25 The ordinance authorizing the obligations may provide that  
26 the obligations shall contain a recital that they are issued

1 pursuant to this Law, which recital shall be conclusive  
2 evidence of their validity and of the regularity of their  
3 issuance.

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

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

21 A municipality may also issue its obligations to refund, in  
22 whole or in part, obligations theretofore issued by the  
23 municipality under the authority of this Law, whether at or  
24 prior to maturity. However, the last maturity of the refunding  
25 obligations shall not be expressed to mature later than the  
26 dissolution date.

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

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

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

15           (f) When business district project costs, including,  
16 without limitation, all obligations paying or reimbursing  
17 business district project costs have been paid, any surplus  
18 funds then remaining in the Business District Tax Allocation  
19 Fund shall be distributed to the municipal treasurer for  
20 deposit into the general corporate fund of the municipality.  
21 Upon payment of all business district project costs and  
22 retirement of all obligations paying or reimbursing business  
23 district project costs, but in no event more than 23 years  
24 after the date of adoption of the ordinance imposing taxes  
25 pursuant to subsection (10) ~~subsections (11)~~ or (11) ~~(12)~~ of  
26 Section 11-74.3-3, the municipality shall adopt an ordinance

1 immediately rescinding the taxes imposed pursuant to  
2 subsection (10) or (11) of Section 11-74.3-3 ~~said subsections~~.

3 (Source: P.A. 96-939, eff. 6-24-10; 96-1394, eff. 7-29-10;  
4 revised 9-2-10.)

5 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

6 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
7 project areas. ~~A municipality may:~~(a) The changes made by this  
8 amendatory Act of the 91st General Assembly do not apply to a  
9 municipality that, (i) before the effective date of this  
10 amendatory Act of the 91st General Assembly, has adopted an  
11 ordinance or resolution fixing a time and place for a public  
12 hearing under Section 11-74.4-5 or (ii) before July 1, 1999,  
13 has adopted an ordinance or resolution providing for a  
14 feasibility study under Section 11-74.4-4.1, but has not yet  
15 adopted an ordinance approving redevelopment plans and  
16 redevelopment projects or designating redevelopment project  
17 areas under this Section, until after that municipality adopts  
18 an ordinance approving redevelopment plans and redevelopment  
19 projects or designating redevelopment project areas under this  
20 Section; thereafter the changes made by this amendatory Act of  
21 the 91st General Assembly apply to the same extent that they  
22 apply to redevelopment plans and redevelopment projects that  
23 were approved and redevelopment projects that were designated  
24 before the effective date of this amendatory Act of the 91st  
25 General Assembly.

1           A municipality may:

2           (a) By ordinance introduced in the governing body of the  
3 municipality within 14 to 90 days from the completion of the  
4 hearing specified in Section 11-74.4-5 approve redevelopment  
5 plans and redevelopment projects, and designate redevelopment  
6 project areas pursuant to notice and hearing required by this  
7 Act. No redevelopment project area shall be designated unless a  
8 plan and project are approved prior to the designation of such  
9 area and such area shall include only those contiguous parcels  
10 of real property and improvements thereon substantially  
11 benefited by the proposed redevelopment project improvements.  
12 Upon adoption of the ordinances, the municipality shall  
13 forthwith transmit to the county clerk of the county or  
14 counties within which the redevelopment project area is located  
15 a certified copy of the ordinances, a legal description of the  
16 redevelopment project area, a map of the redevelopment project  
17 area, identification of the year that the county clerk shall  
18 use for determining the total initial equalized assessed value  
19 of the redevelopment project area consistent with subsection  
20 (a) of Section 11-74.4-9, and a list of the parcel or tax  
21 identification number of each parcel of property included in  
22 the redevelopment project area.

23           (b) Make and enter into all contracts with property owners,  
24 developers, tenants, overlapping taxing bodies, and others  
25 necessary or incidental to the implementation and furtherance  
26 of its redevelopment plan and project. Contract provisions

1 concerning loan repayment obligations in contracts entered  
2 into on or after the effective date of this amendatory Act of  
3 the 93rd General Assembly shall terminate no later than the  
4 last to occur of the estimated dates of completion of the  
5 redevelopment project and retirement of the obligations issued  
6 to finance redevelopment project costs as required by item (3)  
7 of subsection (n) of Section 11-74.4-3. Payments received under  
8 contracts entered into by the municipality prior to the  
9 effective date of this amendatory Act of the 93rd General  
10 Assembly that are received after the redevelopment project area  
11 has been terminated by municipal ordinance shall be deposited  
12 into a special fund of the municipality to be used for other  
13 community redevelopment needs within the redevelopment project  
14 area.

15 (c) Within a redevelopment project area, acquire by  
16 purchase, donation, lease or eminent domain; own, convey,  
17 lease, mortgage or dispose of land and other property, real or  
18 personal, or rights or interests therein, and grant or acquire  
19 licenses, easements and options with respect thereto, all in  
20 the manner and at such price the municipality determines is  
21 reasonably necessary to achieve the objectives of the  
22 redevelopment plan and project. No conveyance, lease,  
23 mortgage, disposition of land or other property owned by a  
24 municipality, or agreement relating to the development of such  
25 municipal property shall be made except upon the adoption of an  
26 ordinance by the corporate authorities of the municipality.



1 Furthermore, no conveyance, lease, mortgage, or other  
2 disposition of land owned by a municipality or agreement  
3 relating to the development of such municipal property shall be  
4 made without making public disclosure of the terms of the  
5 disposition and all bids and proposals made in response to the  
6 municipality's request. The procedures for obtaining such bids  
7 and proposals shall provide reasonable opportunity for any  
8 person to submit alternative proposals or bids.

9 (d) Within a redevelopment project area, clear any area by  
10 demolition or removal of any existing buildings and structures.

11 (e) Within a redevelopment project area, renovate or  
12 rehabilitate or construct any structure or building, as  
13 permitted under this Act.

14 (f) Install, repair, construct, reconstruct or relocate  
15 streets, utilities and site improvements essential to the  
16 preparation of the redevelopment area for use in accordance  
17 with a redevelopment plan.

18 (g) Within a redevelopment project area, fix, charge and  
19 collect fees, rents and charges for the use of any building or  
20 property owned or leased by it or any part thereof, or facility  
21 therein.

22 (h) Accept grants, guarantees and donations of property,  
23 labor, or other things of value from a public or private source  
24 for use within a project redevelopment area.

25 (i) Acquire and construct public facilities within a  
26 redevelopment project area, as permitted under this Act.

1           (j) Incur project redevelopment costs and reimburse  
2 developers who incur redevelopment project costs authorized by  
3 a redevelopment agreement; provided, however, that on and after  
4 the effective date of this amendatory Act of the 91st General  
5 Assembly, no municipality shall incur redevelopment project  
6 costs (except for planning costs and any other eligible costs  
7 authorized by municipal ordinance or resolution that are  
8 subsequently included in the redevelopment plan for the area  
9 and are incurred by the municipality after the ordinance or  
10 resolution is adopted) that are not consistent with the program  
11 for accomplishing the objectives of the redevelopment plan as  
12 included in that plan and approved by the municipality until  
13 the municipality has amended the redevelopment plan as provided  
14 elsewhere in this Act.

15           (k) Create a commission of not less than 5 or more than 15  
16 persons to be appointed by the mayor or president of the  
17 municipality with the consent of the majority of the governing  
18 board of the municipality. Members of a commission appointed  
19 after the effective date of this amendatory Act of 1987 shall  
20 be appointed for initial terms of 1, 2, 3, 4 and 5 years,  
21 respectively, in such numbers as to provide that the terms of  
22 not more than 1/3 of all such members shall expire in any one  
23 year. Their successors shall be appointed for a term of 5  
24 years. The commission, subject to approval of the corporate  
25 authorities may exercise the powers enumerated in this Section.  
26 The commission shall also have the power to hold the public

1 hearings required by this division and make recommendations to  
2 the corporate authorities concerning the adoption of  
3 redevelopment plans, redevelopment projects and designation of  
4 redevelopment project areas.

5 (l) Make payment in lieu of taxes or a portion thereof to  
6 taxing districts. If payments in lieu of taxes or a portion  
7 thereof are made to taxing districts, those payments shall be  
8 made to all districts within a project redevelopment area on a  
9 basis which is proportional to the current collections of  
10 revenue which each taxing district receives from real property  
11 in the redevelopment project area.

12 (m) Exercise any and all other powers necessary to  
13 effectuate the purposes of this Act.

14 (n) If any member of the corporate authority, a member of a  
15 commission established pursuant to Section 11-74.4-4(k) of  
16 this Act, or an employee or consultant of the municipality  
17 involved in the planning and preparation of a redevelopment  
18 plan, or project for a redevelopment project area or proposed  
19 redevelopment project area, as defined in Sections  
20 11-74.4-3(i) through (k) of this Act, owns or controls an  
21 interest, direct or indirect, in any property included in any  
22 redevelopment area, or proposed redevelopment area, he or she  
23 shall disclose the same in writing to the clerk of the  
24 municipality, and shall also so disclose the dates and terms  
25 and conditions of any disposition of any such interest, which  
26 disclosures shall be acknowledged by the corporate authorities

1 and entered upon the minute books of the corporate authorities.  
2 If an individual holds such an interest then that individual  
3 shall refrain from any further official involvement in regard  
4 to such redevelopment plan, project or area, from voting on any  
5 matter pertaining to such redevelopment plan, project or area,  
6 or communicating with other members concerning corporate  
7 authorities, commission or employees concerning any matter  
8 pertaining to said redevelopment plan, project or area.  
9 Furthermore, no such member or employee shall acquire of any  
10 interest direct, or indirect, in any property in a  
11 redevelopment area or proposed redevelopment area after either  
12 (a) such individual obtains knowledge of such plan, project or  
13 area or (b) first public notice of such plan, project or area  
14 pursuant to Section 11-74.4-6 of this Division, whichever  
15 occurs first. For the purposes of this subsection, a property  
16 interest acquired in a single parcel of property by a member of  
17 the corporate authority, which property is used exclusively as  
18 the member's primary residence, shall not be deemed to  
19 constitute an interest in any property included in a  
20 redevelopment area or proposed redevelopment area that was  
21 established before December 31, 1989, but the member must  
22 disclose the acquisition to the municipal clerk under the  
23 provisions of this subsection. A single property interest  
24 acquired within one year after the effective date of this  
25 amendatory Act of the 94th General Assembly or 2 years after  
26 the effective date of this amendatory Act of the 95th General

1 Assembly by a member of the corporate authority does not  
2 constitute an interest in any property included in any  
3 redevelopment area or proposed redevelopment area, regardless  
4 of when the redevelopment area was established, if (i) the  
5 property is used exclusively as the member's primary residence,  
6 (ii) the member discloses the acquisition to the municipal  
7 clerk under the provisions of this subsection, (iii) the  
8 acquisition is for fair market value, (iv) the member acquires  
9 the property as a result of the property being publicly  
10 advertised for sale, and (v) the member refrains from voting  
11 on, and communicating with other members concerning, any matter  
12 when the benefits to the redevelopment project or area would be  
13 significantly greater than the benefits to the municipality as  
14 a whole. For the purposes of this subsection, a month-to-month  
15 leasehold interest in a single parcel of property by a member  
16 of the corporate authority shall not be deemed to constitute an  
17 interest in any property included in any redevelopment area or  
18 proposed redevelopment area, but the member must disclose the  
19 interest to the municipal clerk under the provisions of this  
20 subsection.

21 (o) Create a Tax Increment Economic Development Advisory  
22 Committee to be appointed by the Mayor or President of the  
23 municipality with the consent of the majority of the governing  
24 board of the municipality, the members of which Committee shall  
25 be appointed for initial terms of 1, 2, 3, 4 and 5 years  
26 respectively, in such numbers as to provide that the terms of

1 not more than 1/3 of all such members shall expire in any one  
2 year. Their successors shall be appointed for a term of 5  
3 years. The Committee shall have none of the powers enumerated  
4 in this Section. The Committee shall serve in an advisory  
5 capacity only. The Committee may advise the governing Board of  
6 the municipality and other municipal officials regarding  
7 development issues and opportunities within the redevelopment  
8 project area or the area within the State Sales Tax Boundary.  
9 The Committee may also promote and publicize development  
10 opportunities in the redevelopment project area or the area  
11 within the State Sales Tax Boundary.

12 (p) Municipalities may jointly undertake and perform  
13 redevelopment plans and projects and utilize the provisions of  
14 the Act wherever they have contiguous redevelopment project  
15 areas or they determine to adopt tax increment financing with  
16 respect to a redevelopment project area which includes  
17 contiguous real property within the boundaries of the  
18 municipalities, and in doing so, they may, by agreement between  
19 municipalities, issue obligations, separately or jointly, and  
20 expend revenues received under the Act for eligible expenses  
21 anywhere within contiguous redevelopment project areas or as  
22 otherwise permitted in the Act.

23 (q) Utilize revenues, other than State sales tax increment  
24 revenues, received under this Act from one redevelopment  
25 project area for eligible costs in another redevelopment  
26 project area that is:

1 (i) contiguous to the redevelopment project area from  
2 which the revenues are received;

3 (ii) separated only by a public right of way from the  
4 redevelopment project area from which the revenues are  
5 received; or

6 (iii) separated only by forest preserve property from  
7 the redevelopment project area from which the revenues are  
8 received if the closest boundaries of the redevelopment  
9 project areas that are separated by the forest preserve  
10 property are less than one mile apart.

11 Utilize tax increment revenues for eligible costs that are  
12 received from a redevelopment project area created under the  
13 Industrial Jobs Recovery Law that is either contiguous to, or  
14 is separated only by a public right of way from, the  
15 redevelopment project area created under this Act which  
16 initially receives these revenues. Utilize revenues, other  
17 than State sales tax increment revenues, by transferring or  
18 loaning such revenues to a redevelopment project area created  
19 under the Industrial Jobs Recovery Law that is either  
20 contiguous to, or separated only by a public right of way from  
21 the redevelopment project area that initially produced and  
22 received those revenues; and, if the redevelopment project area  
23 (i) was established before the effective date of this  
24 amendatory Act of the 91st General Assembly and (ii) is located  
25 within a municipality with a population of more than 100,000,  
26 utilize revenues or proceeds of obligations authorized by

1 Section 11-74.4-7 of this Act, other than use or occupation tax  
2 revenues, to pay for any redevelopment project costs as defined  
3 by subsection (q) of Section 11-74.4-3 to the extent that the  
4 redevelopment project costs involve public property that is  
5 either contiguous to, or separated only by a public right of  
6 way from, a redevelopment project area whether or not  
7 redevelopment project costs or the source of payment for the  
8 costs are specifically set forth in the redevelopment plan for  
9 the redevelopment project area.

10 (r) If no redevelopment project has been initiated in a  
11 redevelopment project area within 7 years after the area was  
12 designated by ordinance under subsection (a), the municipality  
13 shall adopt an ordinance repealing the area's designation as a  
14 redevelopment project area; provided, however, that if an area  
15 received its designation more than 3 years before the effective  
16 date of this amendatory Act of 1994 and no redevelopment  
17 project has been initiated within 4 years after the effective  
18 date of this amendatory Act of 1994, the municipality shall  
19 adopt an ordinance repealing its designation as a redevelopment  
20 project area. Initiation of a redevelopment project shall be  
21 evidenced by either a signed redevelopment agreement or  
22 expenditures on eligible redevelopment project costs  
23 associated with a redevelopment project.

24 Notwithstanding any other provision of this Section to the  
25 contrary, with respect to a redevelopment project area  
26 designated by an ordinance that was adopted on July 29, 1998 by



1 the City of Chicago, the City of Chicago shall adopt an  
2 ordinance repealing the area's designation as a redevelopment  
3 project area if no redevelopment project has been initiated in  
4 the redevelopment project area within 15 years after the  
5 designation of the area. The City of Chicago may retroactively  
6 repeal any ordinance adopted by the City of Chicago, pursuant  
7 to this subsection (r), that repealed the designation of a  
8 redevelopment project area designated by an ordinance that was  
9 adopted by the City of Chicago on July 29, 1998. The City of  
10 Chicago has 90 days after the effective date of this amendatory  
11 Act to repeal the ordinance. The changes to this Section made  
12 by this amendatory Act of the 96th General Assembly apply  
13 retroactively to July 27, 2005.

14 (Source: P.A. 94-1013, eff. 1-1-07; 95-1054, eff. 1-1-10;  
15 revised 9-16-10.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law."