



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1307

by Rep. Pam Roth - Frank J. Mautino

SYNOPSIS AS INTRODUCED:

55 ILCS 85/3

from Ch. 34, par. 7003

Amends the County Economic Development Project Area Property Tax Allocation Act. In a provision concerning economic development project costs, exempts certain ad valorem tax rebates for economic development project areas that are located in Grundy County from being considered in the sum total of all reasonable or necessary costs incurred by the county incidental to an economic development project. Effective immediately.

LRB098 06661 OMW 36706 b

1 AN ACT concerning local government.

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

4 Section 5. The County Economic Development Project Area
5 Property Tax Allocation Act is amended by changing Section 3 as
6 follows:

7 (55 ILCS 85/3) (from Ch. 34, par. 7003)

8 Sec. 3. Definitions. In this Act, words or terms shall have
9 the following meanings unless the context usage clearly
10 indicates that another meaning is intended.

11 (a) "Department" means the Department of Commerce and
12 Economic Opportunity.

13 (b) "Economic development plan" means the written plan of a
14 county which sets forth an economic development program for an
15 economic development project area. Each economic development
16 plan shall include but not be limited to (1) estimated economic
17 development project costs, (2) the sources of funds to pay such
18 costs, (3) the nature and term of any obligations to be issued
19 by the county to pay such costs, (4) the most recent equalized
20 assessed valuation of the economic development project area,
21 (5) an estimate of the equalized assessed valuation of the
22 economic development project area after completion of the
23 economic development plan, (6) the estimated date of completion

1 of any economic development project proposed to be undertaken,
2 (7) a general description of any proposed developer, user, or
3 tenant of any property to be located or improved within the
4 economic development project area, (8) a description of the
5 type, structure and general character of the facilities to be
6 developed or improved in the economic development project area,
7 (9) a description of the general land uses to apply in the
8 economic development project area, (10) a description of the
9 type, class and number of employees to be employed in the
10 operation of the facilities to be developed or improved in the
11 economic development project area and (11) a commitment by the
12 county to fair employment practices and an affirmative action
13 plan with respect to any economic development program to be
14 undertaken by the county. The economic development plan for an
15 economic development project area authorized by subsection
16 (a-15) of Section 4 of this Act must additionally include (1)
17 evidence indicating that the redevelopment project area on the
18 whole has not been subject to growth and development through
19 investment by private enterprise and is not reasonably expected
20 to be subject to such growth and development without the
21 assistance provided through the implementation of the economic
22 development plan and (2) evidence that portions of the economic
23 development project area have incurred Illinois Environmental
24 Protection Agency or United States Environmental Protection
25 Agency remediation costs for, or a study conducted by an
26 independent consultant recognized as having expertise in

1 environmental remediation has determined a need for, the
2 clean-up of hazardous waste, hazardous substances, or
3 underground storage tanks required by State or federal law,
4 provided that the remediation costs constitute a material
5 impediment to the development or redevelopment of the project
6 area.

7 (c) "Economic development project" means any development
8 project in furtherance of the objectives of this Act.

9 (d) "Economic development project area" means any improved
10 or vacant area which is located within the corporate limits of
11 a county and which (1) is within the unincorporated area of
12 such county, or, with the consent of any affected municipality,
13 is located partially within the unincorporated area of such
14 county and partially within one or more municipalities, (2) is
15 contiguous, (3) is not less in the aggregate than 100 acres
16 and, for an economic development project area authorized by
17 subsection (a-15) of Section 4 of this Act, not more than 2,000
18 acres, (4) is suitable for siting by any commercial,
19 manufacturing, industrial, research or transportation
20 enterprise of facilities to include but not be limited to
21 commercial businesses, offices, factories, mills, processing
22 plants, assembly plants, packing plants, fabricating plants,
23 industrial or commercial distribution centers, warehouses,
24 repair overhaul or service facilities, freight terminals,
25 research facilities, test facilities or transportation
26 facilities, whether or not such area has been used at any time

1 for such facilities and whether or not the area has been used
2 or is suitable for such facilities and whether or not the area
3 has been used or is suitable for other uses, including
4 commercial agricultural purposes, and (5) which has been
5 certified by the Department pursuant to this Act.

6 (e) "Economic development project costs" means and
7 includes the sum total of all reasonable or necessary costs
8 incurred by a county incidental to an economic development
9 project, including, without limitation, the following:

10 (1) Costs of studies, surveys, development of plans and
11 specifications, implementation and administration of an
12 economic development plan, personnel and professional
13 service costs for architectural, engineering, legal,
14 marketing, financial, planning, sheriff, fire, public
15 works or other services, provided that no charges for
16 professional services may be based on a percentage of
17 incremental tax revenue;

18 (2) Property assembly costs within an economic
19 development project area, including but not limited to
20 acquisition of land and other real or personal property or
21 rights or interests therein, and specifically including
22 payments to developers or other non-governmental persons
23 as reimbursement for property assembly costs incurred by
24 such developer or other non-governmental person;

25 (3) Site preparation costs, including but not limited
26 to clearance of any area within an economic development

1 project area by demolition or removal of any existing
2 buildings, structures, fixtures, utilities and
3 improvements and clearing and grading; site improvement
4 addressing ground level or below ground environmental
5 contamination; and including installation, repair,
6 construction, reconstruction, or relocation of public
7 streets, public utilities, and other public site
8 improvements within or without an economic development
9 project area which are essential to the preparation of the
10 economic development project area for use in accordance
11 with an economic development plan; and specifically
12 including payments to developers or other non-governmental
13 persons as reimbursement for site preparation costs
14 incurred by such developer or non-governmental person;

15 (4) Costs of renovation, rehabilitation,
16 reconstruction, relocation, repair or remodeling of any
17 existing buildings, improvements, and fixtures within an
18 economic development project area, and specifically
19 including payments to developers or other non-governmental
20 persons as reimbursement for such costs incurred by such
21 developer or non-governmental person;

22 (5) Costs of construction within an economic
23 development project area of public improvements, including
24 but not limited to, buildings, structures, works,
25 improvements, utilities or fixtures;

26 (6) Financing costs, including but not limited to all

1 necessary and incidental expenses related to the issuance
2 of obligations, payment of any interest on any obligations
3 issued hereunder which accrues during the estimated period
4 of construction of any economic development project for
5 which such obligations are issued and for not exceeding 36
6 months thereafter, and any reasonable reserves related to
7 the issuance of such obligations;

8 (7) All or a portion of a taxing district's capital
9 costs resulting from an economic development project
10 necessarily incurred or estimated to be incurred by a
11 taxing district in the furtherance of the objectives of an
12 economic development project, to the extent that the county
13 by written agreement accepts, approves and agrees to incur
14 or to reimburse such costs;

15 (8) Relocation costs to the extent that a county
16 determines that relocation costs shall be paid or is
17 required to make payment of relocation costs by federal or
18 State law;

19 (9) The estimated tax revenues from real property in an
20 economic development project area acquired by a county
21 which, according to the economic development plan, is to be
22 used for a private use and which any taxing district would
23 have received had the county not adopted property tax
24 allocation financing for an economic development project
25 area and which would result from such taxing district's
26 levies made after the time of the adoption by the county of

1 property tax allocation financing to the time the current
2 equalized assessed value of real property in the economic
3 development project area exceeds the total initial
4 equalized value of real property in that area;

5 (10) Costs of rebating ad valorem taxes paid by any
6 developer or other nongovernmental person in whose name the
7 general taxes were paid for the last preceding year on any
8 lot, block, tract or parcel of land in the economic
9 development project area, provided that:

10 (i) such economic development project area is
11 located in an enterprise zone created pursuant to the
12 Illinois Enterprise Zone Act. This provision does not
13 apply to economic development project areas that are
14 located in Grundy County;

15 (ii) such ad valorem taxes shall be rebated only in
16 such amounts and for such tax year or years as the
17 county and any one or more affected taxing districts
18 shall have agreed by prior written agreement. This
19 provision does not apply to economic development
20 project areas that are located in Grundy County;

21 (iii) any amount of rebate of taxes shall not
22 exceed the portion, if any, of taxes levied by the
23 county or such taxing district or districts which is
24 attributable to the increase in the current equalized
25 assessed valuation of each taxable lot, block, tract or
26 parcel of real property in the economic development

1 project area over and above the initial equalized
2 assessed value of each property existing at the time
3 property tax allocation financing was adopted for said
4 economic development project area; and

5 (iv) costs of rebating ad valorem taxes shall be
6 paid by a county solely from the special tax allocation
7 fund established pursuant to this Act and shall be paid
8 from the proceeds of any obligations issued by a
9 county.

10 (11) Costs of job training, advanced vocational
11 education or career education programs, including but not
12 limited to courses in occupational, semi-technical or
13 technical fields leading directly to employment, incurred
14 by one or more taxing districts, provided that such costs
15 are related to the establishment and maintenance of
16 additional job training, advanced vocational education or
17 career education programs for persons employed or to be
18 employed by employers located in an economic development
19 project area, and further provided, that when such costs
20 are incurred by a taxing district or taxing districts other
21 than the county, they shall be set forth in a written
22 agreement by or among the county and the taxing district or
23 taxing districts, which agreement describes the program to
24 be undertaken, including, but not limited to, the number of
25 employees to be trained, a description of the training and
26 services to be provided, the number and type of positions

1 available or to be available, itemized costs of the program
2 and sources of funds to pay the same, and the term of the
3 agreement. Such costs include, specifically, the payment
4 by community college districts of costs pursuant to Section
5 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College
6 Act and by school districts of costs pursuant to Sections
7 10-22.20 and 10-23.3a of the School Code;

8 (12) Private financing costs incurred by developers or
9 other non-governmental persons in connection with an
10 economic development project, and specifically including
11 payments to developers or other non-governmental persons
12 as reimbursement for such costs incurred by such developer
13 or other non-governmental persons provided that:

14 (A) private financing costs shall be paid or
15 reimbursed by a county only pursuant to the prior
16 official action of the county evidencing an intent to
17 pay such private financing costs;

18 (B) except as provided in subparagraph (D) of this
19 Section, the aggregate amount of such costs paid or
20 reimbursed by a county in any one year shall not exceed
21 30% of such costs paid or incurred by such developer or
22 other non-governmental person in that year;

23 (C) private financing costs shall be paid or
24 reimbursed by a county solely from the special tax
25 allocation fund established pursuant to this Act and
26 shall not be paid or reimbursed from the proceeds of

1 any obligations issued by a county;

2 (D) if there are not sufficient funds available in
3 the special tax allocation fund in any year to make
4 such payment or reimbursement in full, any amount of
5 such private financing costs remaining to be paid or
6 reimbursed by a county shall accrue and be payable when
7 funds are available in the special tax allocation fund
8 to make such payment; and

9 (E) in connection with its approval and
10 certification of an economic development project
11 pursuant to Section 5 of this Act, the Department shall
12 review any agreement authorizing the payment or
13 reimbursement by a county of private financing costs in
14 its consideration of the impact on the revenues of the
15 county and the affected taxing districts of the use of
16 property tax allocation financing.

17 (f) "Obligations" means any instrument evidencing the
18 obligation of a county to pay money, including without
19 limitation, bonds, notes, installment or financing contracts,
20 certificates, tax anticipation warrants or notes, vouchers,
21 and any other evidence of indebtedness.

22 (g) "Taxing districts" means municipalities, townships,
23 counties, and school, road, park, sanitary, mosquito
24 abatement, forest preserve, public health, fire protection,
25 river conservancy, tuberculosis sanitarium and any other
26 county corporations or districts with the power to levy taxes

1 on real property.

2 (Source: P.A. 96-1262, eff. 7-26-10.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.