

1 AN ACT concerning local government.

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

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

6 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

7 Sec. 11-74.3-3. Powers of municipalities. In addition to
8 the powers a municipality may now have, a municipality shall
9 have the following powers:

10 (1) To make and enter into all contracts necessary or
11 incidental to the implementation and furtherance of a
12 business district plan. A contract by and between the
13 municipality and any developer or other nongovernmental
14 person to pay or reimburse said developer or other
15 nongovernmental person for business district project costs
16 incurred or to be incurred by said developer or other
17 nongovernmental person shall not be deemed an economic
18 incentive agreement under Section 8-11-20, notwithstanding
19 the fact that such contract provides for the sharing,
20 rebate, or payment of retailers' occupation taxes or
21 service occupation taxes (including, without limitation,
22 taxes imposed pursuant to subsection (10)) the
23 municipality receives from the development or

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

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

24 (2.5) To acquire property by eminent domain in
25 accordance with the Eminent Domain Act.

26 (3) To clear any area within a business district by

1 demolition or removal of any existing buildings,
2 structures, fixtures, utilities, or improvements, and to
3 clear and grade land.

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

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

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

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

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

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

9 (8.5) Utilize up to 1% of the revenue from a business
10 district retailers' occupation tax and service occupation
11 tax imposed under paragraph (10) and a hotel operators'
12 occupation tax under paragraph (11) of Section 11-74.3-3 in
13 connection with one business district for eligible costs in
14 another business district that is:

15 (A) contiguous to the business district from which
16 the revenues are received;

17 (B) separated only by a public right of way from
18 the business district from which the revenues are
19 received; or

20 (C) separated only by forest preserve property
21 from the business district from which the revenues are
22 received if the closest boundaries of the business
23 districts that are separated by the forest preserve
24 property are less than one mile apart.

25 (9) To apply for and accept grants, guarantees,
26 donations of property or labor or any other thing of value

1 for use in connection with a business district project.

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

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

17 (Source: P.A. 96-1394, eff. 7-29-10; 96-1555, eff. 3-18-11;
18 97-333, eff. 8-12-11.)

19 (65 ILCS 5/11-74.3-5)

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

22 "Blighted area" means an area that is a blighted area
23 which, by reason of the predominance of defective,
24 non-existent, or inadequate street layout, unsanitary or
25 unsafe conditions, deterioration of site improvements,

1 improper subdivision or obsolete platting, or the existence of
2 conditions which endanger life or property by fire or other
3 causes, or any combination of those factors, retards the
4 provision of housing accommodations or constitutes an economic
5 or social liability, an economic underutilization of the area,
6 or a menace to the public health, safety, morals, or welfare.

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

15 "Business district plan" shall mean the written plan for
16 the development or redevelopment of a business district. Each
17 business district plan shall set forth in writing: (i) a
18 specific description of the boundaries of the proposed business
19 district, including a map illustrating the boundaries; (ii) a
20 general description of each project proposed to be undertaken
21 within the business district, including a description of the
22 approximate location of each project and a description of any
23 developer, user, or tenant of any property to be located or
24 improved within the proposed business district; (iii) the name
25 of the proposed business district; (iv) the estimated business
26 district project costs; (v) the anticipated source of funds to

1 pay business district project costs; (vi) the anticipated type
2 and terms of any obligations to be issued; and (vii) the rate
3 of any tax to be imposed pursuant to subsection (10) or (11) of
4 Section 11-74.3-3 and the period of time for which the tax
5 shall be imposed.

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

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

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

25 (3) site preparation costs, including but not limited
26 to clearance, demolition or removal of any existing

1 buildings, structures, fixtures, utilities, and
2 improvements and clearing and grading of land;

3 (4) costs of installation, repair, construction,
4 reconstruction, extension, or relocation of public
5 streets, public utilities, and other public site
6 improvements within or without the business district which
7 are essential to the preparation of the business district
8 for use in accordance with the business district plan, and
9 specifically including payments to developers or other
10 nongovernmental persons as reimbursement for site
11 preparation costs incurred by the developer or
12 nongovernmental person;

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

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

26 (7) 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 under this Law that accrues during the estimated
4 period of construction of any development or redevelopment
5 project for which those obligations are issued and for not
6 exceeding 36 months thereafter, and any reasonable
7 reserves related to the issuance of those obligations; and

8 (8) relocation costs to the extent that a municipality
9 determines that relocation costs shall be paid or is
10 required to make payment of relocation costs by federal or
11 State law.

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

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

20 (Source: P.A. 96-1394, eff. 7-29-10; 96-1555, eff. 3-18-11;
21 97-333, eff. 8-12-11.)