



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1840

Introduced 2/23/2007, by Rep. Kevin Joyce

SYNOPSIS AS INTRODUCED:

See Index

Amends the Property Tax Code. Awards an assessment freeze homestead exemption to retired police officers and firefighters who meet certain requirements. Provides that the amount of the exemption is the equalized assessed value of the residence in the taxable year for which application is made minus the equalized assessed value of the residence in the taxable year in which the applicant qualified for the exemption plus the first year's equalized assessed value of any added improvements that increased the assessed value of the residence after the base year. Makes corresponding changes to cross-references in the provisions concerning certification, certificate of errors, and delinquency notices. Amends various Acts concerning tax increment financing to deduct the exemption from assessed value calculations for entities that have adopted tax increment allocation financing under these provisions. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

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CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning revenue.

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

4 Section 5. The Economic Development Area Tax Increment
5 Allocation Act is amended by changing Section 6 as follows:

6 (20 ILCS 620/6) (from Ch. 67 1/2, par. 1006)

7 Sec. 6. Filing with county clerk; certification of initial
8 equalized assessed value.

9 (a) The municipality shall file a certified copy of any
10 ordinance authorizing tax increment allocation financing for
11 an economic development project area with the county clerk, and
12 the county clerk shall immediately thereafter determine (1) the
13 most recently ascertained equalized assessed value of each lot,
14 block, tract or parcel of real property within the economic
15 development project area from which shall be deducted the
16 homestead exemptions provided by Sections 15-167, 15-170,
17 15-175, and 15-176 of the Property Tax Code, which value shall
18 be the "initial equalized assessed value" of each such piece of
19 property, and (2) the total equalized assessed value of all
20 taxable real property within the economic development project
21 area by adding together the most recently ascertained equalized
22 assessed value of each taxable lot, block, tract, or parcel of
23 real property within such economic development project area,

1 from which shall be deducted the homestead exemptions provided
2 by Sections 15-167, 15-170, 15-175, and 15-176 of the Property
3 Tax Code, and shall certify such amount as the "total initial
4 equalized assessed value" of the taxable real property within
5 the economic development project area.

6 (b) After the county clerk has certified the "total initial
7 equalized assessed value" of the taxable real property in the
8 economic development project area, then in respect to every
9 taxing district containing an economic development project
10 area, the county clerk or any other official required by law to
11 ascertain the amount of the equalized assessed value of all
12 taxable property within that taxing district for the purpose of
13 computing the rate per cent of tax to be extended upon taxable
14 property within that taxing district, shall in every year that
15 tax increment allocation financing is in effect ascertain the
16 amount of value of taxable property in an economic development
17 project area by including in that amount the lower of the
18 current equalized assessed value or the certified "total
19 initial equalized assessed value" of all taxable real property
20 in such area. The rate per cent of tax determined shall be
21 extended to the current equalized assessed value of all
22 property in the economic development project area in the same
23 manner as the rate per cent of tax is extended to all other
24 taxable property in the taxing district. The method of
25 allocating taxes established under this Section shall
26 terminate when the municipality adopts an ordinance dissolving

1 the special tax allocation fund for the economic development
2 project area, terminating the economic development project
3 area, and terminating the use of tax increment allocation
4 financing for the economic development project area. This Act
5 shall not be construed as relieving property owners within an
6 economic development project area from paying a uniform rate of
7 taxes upon the current equalized assessed value of their
8 taxable property as provided in the Property Tax Code.

9 (Source: P.A. 93-715, eff. 7-12-04.)

10 Section 10. The Property Tax Code is amended by changing
11 Sections 15-10, 20-178, and 21-135 and adding Section 15-167 as
12 follows:

13 (35 ILCS 200/15-10)

14 Sec. 15-10. Exempt property; procedures for certification.
15 All property granted an exemption by the Department pursuant to
16 the requirements of Section 15-5 and described in the Sections
17 following Section 15-30 and preceding Section 16-5, to the
18 extent therein limited, is exempt from taxation. In order to
19 maintain that exempt status, the titleholder or the owner of
20 the beneficial interest of any property that is exempt must
21 file with the chief county assessment officer, on or before
22 January 31 of each year (May 31 in the case of property
23 exempted by Section 15-167 or 15-170), an affidavit stating
24 whether there has been any change in the ownership or use of

1 the property or the status of the owner-resident, or that a
2 disabled veteran who qualifies under Section 15-165 owned and
3 used the property as of January 1 of that year. The nature of
4 any change shall be stated in the affidavit. Failure to file an
5 affidavit shall, in the discretion of the assessment officer,
6 constitute cause to terminate the exemption of that property,
7 notwithstanding any other provision of this Code. Owners of 5
8 or more such exempt parcels within a county may file a single
9 annual affidavit in lieu of an affidavit for each parcel. The
10 assessment officer, upon request, shall furnish an affidavit
11 form to the owners, in which the owner may state whether there
12 has been any change in the ownership or use of the property or
13 status of the owner or resident as of January 1 of that year.
14 The owner of 5 or more exempt parcels shall list all the
15 properties giving the same information for each parcel as
16 required of owners who file individual affidavits.

17 However, titleholders or owners of the beneficial interest
18 in any property exempted under any of the following provisions
19 are not required to submit an annual filing under this Section:

20 (1) Section 15-45 (burial grounds) in counties of less
21 than 3,000,000 inhabitants and owned by a not-for-profit
22 organization.

23 (2) Section 15-40.

24 (3) Section 15-50 (United States property).

25 If there is a change in use or ownership, however, notice
26 must be filed pursuant to Section 15-20.

1 An application for homestead exemptions shall be filed as
2 provided in Section 15-167 (retired police and firefighter
3 assessment freeze homestead exemption), Section 15-170 (senior
4 citizens homestead exemption), Section 15-172 (senior citizens
5 assessment freeze homestead exemption), and Sections 15-175
6 and 15-176 (general homestead exemption), respectively.

7 (Source: P.A. 92-333, eff. 8-10-01; 92-729, eff. 7-25-02;
8 93-715, eff. 7-12-04.)

9 (35 ILCS 200/15-167 new)

10 Sec. 15-167. Retired police and firefighter assessment
11 freeze homestead exemption.

12 (a) This Section may be cited as the Senior Citizens
13 Assessment Freeze Homestead Exemption.

14 (b) As used in this Section:

15 "Applicant" means a qualified retired police officer or
16 firefighter or the spouse or unmarried surviving spouse of a
17 qualified retired police officer or firefighter.

18 "Base amount" means the base year equalized assessed value
19 of the residence plus the first year's equalized assessed value
20 of any added improvements that increased the assessed value of
21 the residence after the base year.

22 "Base year" means the taxable year prior to the taxable
23 year for which the applicant first qualifies and applies for
24 the exemption if, in the prior taxable year, the property was
25 improved with a permanent structure that was occupied as a

1 residence by the applicant who was liable for paying real
2 property taxes on the property and who was either (i) an owner
3 of record of the property or had legal or equitable interest in
4 the property as evidenced by a written instrument or (ii) had a
5 legal or equitable interest as a lessee in the parcel of
6 property that was single family residence. If, in any
7 subsequent taxable year for which the applicant applies and
8 qualifies for the exemption, the equalized assessed value of
9 the residence is less than the equalized assessed value in the
10 existing base year, then that subsequent taxable year becomes
11 the base year unless that lower equalized assessed value is
12 based on an assessed value that results from a temporary
13 irregularity in the property that reduces the assessed value
14 for one or more taxable years. The selected year is the base
15 year for taxable year 2007 and thereafter until a new base year
16 is established under the terms of this paragraph.

17 "Life care facility that qualifies as a cooperative" means
18 a facility as defined in Section 2 of the Life Care Facilities
19 Act.

20 "Firefighter" means a person who qualifies as a firefighter
21 under Section 4-106 or as a fireman under Section 6-106 of the
22 Illinois Pension Code.

23 "Police officer" means a person who qualifies as a police
24 officer under Section 3-106 or as a policeman under Section
25 5-106 of the Illinois Pension Code.

26 "Qualified retired police officer or firefighter" means an

1 individual who: (i) is retired and (ii) was required to reside
2 within a certain unit of local government as a condition of his
3 or her employment as a police officer or firefighter.

4 "Retired" means (i) withdrawn from service as a police
5 officer or firefighter after at least 20 years of continuous
6 service or (ii) eligible to receive benefits under Article 3,
7 4, 5, or 6 of the Illinois Pension Code.

8 "Residence" has the meaning set forth under Section 15-172.

9 (c) Beginning in taxable year 2007, an assessment freeze
10 homestead exemption is granted for real property that is
11 improved with a permanent structure that is occupied as a
12 residence by an applicant who is liable for paying real
13 property taxes on the property and who is an owner of record of
14 the property or has a legal or equitable interest in the
15 property as evidenced by a written instrument. This homestead
16 exemption also applies to a leasehold interest in a parcel of
17 property improved with a permanent structure that is a single
18 family residence that is occupied as a residence by an
19 applicant who has a legal or equitable ownership interest in
20 the property as lessee and who is liable for the payment of
21 real property taxes on that property.

22 The amount of this exemption is the equalized assessed
23 value of the residence in the taxable year for which
24 application is made minus the base amount. If the applicant is
25 an unmarried surviving spouse of qualified retired police or
26 firefighter for a prior year for the same residence for which

1 an exemption under this Section has been granted, then the base
2 year and base amount for that residence are the same as for the
3 applicant for the prior year.

4 Each year, at the time the assessment books are certified
5 to the county clerk, the board of review or board of appeals
6 shall give to the county clerk a list of the assessed values of
7 improvements on each parcel qualifying for this exemption that
8 were added after the base year for this parcel and that
9 increased the assessed value of the property.

10 In the case of land improved with an apartment building
11 owned and operated as a cooperative or a building that is a
12 life-care facility that qualifies as a cooperative, the maximum
13 reduction from the equalized assessed value of the property is
14 limited to the sum of the reductions calculated for each unit
15 occupied as a residence by an applicant who is liable, by
16 contract with the owner or owners of record, for paying real
17 property taxes on the property and who is an owner of record of
18 a legal or equitable interest in the cooperative apartment
19 building, other than a leasehold interest. In the instance of a
20 cooperative where a homestead exemption has been granted under
21 this Section, the cooperative association or its management
22 firm shall credit the savings resulting from that exemption
23 only to the apportioned tax liability of the owner who
24 qualified for the exemption. Any person who willfully refuses
25 to credit that savings to an owner who qualifies for the
26 exemption is guilty of a Class B misdemeanor.

1 If a homestead exemption has been granted under this
2 Section and an applicant then becomes a resident of a facility
3 licensed under the Nursing Home Care Act, then the exemption is
4 granted in subsequent years so long as the residence (i)
5 continues to be occupied by the applicant or (ii) if remaining
6 unoccupied, is still owned by the qualified retired police or
7 firefighter for the homestead exemption.

8 If married applicants, maintain separate residences, then
9 the exemption provided for in this Section may be claimed by
10 only one of such persons and for only one residence.

11 To receive the exemption, an applicant must submit an
12 application by July 1 of each taxable year to the chief county
13 assessment officer of the county in which the property is
14 located. A county may, by ordinance, establish a date for
15 submission of applications that is different than July 1. The
16 chief county assessment officer shall, annually, give notice of
17 the application period by mail or by publication. The
18 Department shall establish, by rule, a method for verifying the
19 accuracy of applications filed by applicants under this
20 Section. The applications must be clearly marked as
21 applications for the retired police and firefighter assessment
22 freeze homestead exemption.

23 If an applicant fails to file the application required by
24 this Section in a timely manner and this failure to file is due
25 to a mental or physical condition sufficiently severe so as to
26 render the applicant incapable of filing the application in a

1 timely manner, the chief county assessment officer may extend
2 the filing deadline for a period of 30 days after the applicant
3 regains the capability to file the application, but in no case
4 may the filing deadline be extended beyond 3 months of the
5 original filing deadline. In order to receive the extension
6 provided in this paragraph, the applicant must provide the
7 chief county assessment officer with a signed statement from
8 the applicant's physician stating the nature and extent of the
9 condition, that, in the physician's opinion, the condition was
10 so severe that it rendered the applicant incapable of filing
11 the application in a timely manner, and the date on which the
12 applicant regained the capability to file the application.

13 For purposes of this Section, a person who will be retired
14 during the current taxable year is eligible to apply for the
15 homestead exemption during that taxable year. The application
16 must be made during the application period in effect for the
17 county of his or her residence.

18 The chief county assessment officer may determine the
19 eligibility of a life care facility that qualifies as a
20 cooperative to receive the benefits provided by this Section by
21 use of an affidavit, application, visual inspection,
22 questionnaire, or other reasonable method in order to insure
23 that the tax savings resulting from the exemption are credited
24 by the management firm to the apportioned tax liability of each
25 qualifying resident. The chief county assessment officer may
26 request reasonable proof that the management firm has so

1 credited that exemption.

2 Except as provided in this Section, all information
3 received by the chief county assessment officer or the
4 Department from applications filed under this Section, or from
5 any investigation conducted under the provisions of this
6 Section, shall be confidential, except for official purposes or
7 pursuant to official procedures for collection of any State or
8 local tax or enforcement of any civil or criminal penalty or
9 sanction imposed by this Act or by any statute or ordinance
10 imposing a State or local tax. Any person who divulges any such
11 information in any manner, except in accordance with a proper
12 judicial order, is guilty of a Class A misdemeanor. Nothing
13 contained in this Section shall prevent the Director or chief
14 county assessment officer from publishing or making available
15 reasonable statistics concerning the operation of the
16 exemption contained in this Section in which the contents of
17 claims are grouped into aggregates in such a way that
18 information contained in any individual claim shall not be
19 disclosed.

20 (35 ILCS 200/20-178)

21 Sec. 20-178. Certificate of error; refund; interest. When
22 the county collector makes any refunds due on certificates of
23 error issued under Sections 14-15 through 14-25 that have been
24 either certified or adjudicated, the county collector shall pay
25 the taxpayer interest on the amount of the refund at the rate

1 of 0.5% per month.

2 No interest shall be due under this Section for any time
3 prior to 60 days after the effective date of this amendatory
4 Act of the 91st General Assembly. For certificates of error
5 issued prior to the effective date of this amendatory Act of
6 the 91st General Assembly, the county collector shall pay the
7 taxpayer interest from 60 days after the effective date of this
8 amendatory Act of the 91st General Assembly until the date the
9 refund is paid. For certificates of error issued on or after
10 the effective date of this amendatory Act of the 91st General
11 Assembly, interest shall be paid from 60 days after the
12 certificate of error is issued by the chief county assessment
13 officer to the date the refund is made. To cover the cost of
14 interest, the county collector shall proportionately reduce
15 the distribution of taxes collected for each taxing district in
16 which the property is situated.

17 This Section shall not apply to any certificate of error
18 granting a homestead exemption under Section 15-167, 15-170,
19 15-172, 15-175, or 15-176.

20 (Source: P.A. 93-715, eff. 7-12-04.)

21 (35 ILCS 200/21-135)

22 Sec. 21-135. Mailed notice of application for judgment and
23 sale. Not less than 15 days before the date of application for
24 judgment and sale of delinquent properties, the county
25 collector shall mail, by registered or certified mail, a notice

1 of the forthcoming application for judgment and sale to the
2 person shown by the current collector's warrant book to be the
3 party in whose name the taxes were last assessed or to the
4 current owner of record and, if applicable, to the party
5 specified under Section 15-167 or 15-170. The notice shall
6 include the intended dates of application for judgment and sale
7 and commencement of the sale, and a description of the
8 properties. The county collector must present proof of the
9 mailing to the court along with the application for judgement.

10 In counties with less than 3,000,000 inhabitants, a copy of
11 this notice shall also be mailed by the county collector by
12 registered or certified mail to any lienholder of record who
13 annually requests a copy of the notice. The failure of the
14 county collector to mail a notice or its non-delivery to the
15 lienholder shall not affect the validity of the judgment.

16 In counties with 3,000,000 or more inhabitants, notice
17 shall not be mailed to any person when, under Section 14-15, a
18 certificate of error has been executed by the county assessor
19 or by both the county assessor and board of appeals (until the
20 first Monday in December 1998 and the board of review beginning
21 the first Monday in December 1998 and thereafter), except as
22 provided by court order under Section 21-120.

23 The collector shall collect \$10 from the proceeds of each
24 sale to cover the costs of registered or certified mailing and
25 the costs of advertisement and publication. If a taxpayer pays
26 the taxes on the property after the notice of the forthcoming

1 application for judgment and sale is mailed but before the sale
2 is made, then the collector shall collect \$10 from the taxpayer
3 to cover the costs of registered or certified mailing and the
4 costs of advertisement and publication.

5 (Source: P.A. 93-899, eff. 8-10-04.)

6 Section 15. The County Economic Development Project Area
7 Property Tax Allocation Act is amended by changing Section 6 as
8 follows:

9 (55 ILCS 85/6) (from Ch. 34, par. 7006)

10 Sec. 6. Filing with county clerk; certification of initial
11 equalized assessed value.

12 (a) The county shall file a certified copy of any ordinance
13 authorizing property tax allocation financing for an economic
14 development project area with the county clerk, and the county
15 clerk shall immediately thereafter determine (1) the most
16 recently ascertained equalized assessed value of each lot,
17 block, tract or parcel of real property within the economic
18 development project area from which shall be deducted the
19 homestead exemptions provided by Sections 15-167, 15-170,
20 15-175, and 15-176 of the Property Tax Code, which value shall
21 be the "initial equalized assessed value" of each such piece of
22 property, and (2) the total equalized assessed value of all
23 taxable real property within the economic development project
24 area by adding together the most recently ascertained equalized

1 assessed value of each taxable lot, block, tract, or parcel of
2 real property within such economic development project area,
3 from which shall be deducted the homestead exemptions provided
4 by Sections 15-167, 15-170, 15-175, and 15-176 of the Property
5 Tax Code. Upon receiving written notice from the Department of
6 its approval and certification of such economic development
7 project area, the county clerk shall immediately certify such
8 amount as the "total initial equalized assessed value" of the
9 taxable property within the economic development project area.

10 (b) After the county clerk has certified the "total initial
11 equalized assessed value" of the taxable real property in the
12 economic development project area, then in respect to every
13 taxing district containing an economic development project
14 area, the county clerk or any other official required by law to
15 ascertain the amount of the equalized assessed value of all
16 taxable property within that taxing district for the purpose of
17 computing the rate percent of tax to be extended upon taxable
18 property within the taxing district, shall in every year that
19 property tax allocation financing is in effect ascertain the
20 amount of value of taxable property in an economic development
21 project area by including in that amount the lower of the
22 current equalized assessed value or the certified "total
23 initial equalized assessed value" of all taxable real property
24 in such area. The rate percent of tax determined shall be
25 extended to the current equalized assessed value of all
26 property in the economic development project area in the same

1 manner as the rate percent of tax is extended to all other
2 taxable property in the taxing district. The method of
3 allocating taxes established under this Section shall
4 terminate when the county adopts an ordinance dissolving the
5 special tax allocation fund for the economic development
6 project area. This Act shall not be construed as relieving
7 property owners within an economic development project area
8 from paying a uniform rate of taxes upon the current equalized
9 assessed value of their taxable property as provided in the
10 Property Tax Code.

11 (Source: P.A. 93-715, eff. 7-12-04.)

12 Section 20. The County Economic Development Project Area
13 Tax Increment Allocation Act of 1991 is amended by changing
14 Section 45 as follows:

15 (55 ILCS 90/45) (from Ch. 34, par. 8045)

16 Sec. 45. Filing with county clerk; certification of initial
17 equalized assessed value.

18 (a) A county that has by ordinance approved an economic
19 development plan, established an economic development project
20 area, and adopted tax increment allocation financing for that
21 area shall file certified copies of the ordinance or ordinances
22 with the county clerk. Upon receiving the ordinance or
23 ordinances, the county clerk shall immediately determine (i)
24 the most recently ascertained equalized assessed value of each

1 lot, block, tract, or parcel of real property within the
2 economic development project area from which shall be deducted
3 the homestead exemptions provided by Sections 15-167, 15-170,
4 15-175, and 15-176 of the Property Tax Code (that value being
5 the "initial equalized assessed value" of each such piece of
6 property) and (ii) the total equalized assessed value of all
7 taxable real property within the economic development project
8 area by adding together the most recently ascertained equalized
9 assessed value of each taxable lot, block, tract, or parcel of
10 real property within the economic development project area,
11 from which shall be deducted the homestead exemptions provided
12 by Sections 15-167, 15-170, 15-175, and 15-176 of the Property
13 Tax Code, and shall certify that amount as the "total initial
14 equalized assessed value" of the taxable real property within
15 the economic development project area.

16 (b) After the county clerk has certified the "total initial
17 equalized assessed value" of the taxable real property in the
18 economic development project area, then in respect to every
19 taxing district containing an economic development project
20 area, the county clerk or any other official required by law to
21 ascertain the amount of the equalized assessed value of all
22 taxable property within the taxing district for the purpose of
23 computing the rate per cent of tax to be extended upon taxable
24 property within the taxing district shall, in every year that
25 tax increment allocation financing is in effect, ascertain the
26 amount of value of taxable property in an economic development

1 project area by including in that amount the lower of the
2 current equalized assessed value or the certified "total
3 initial equalized assessed value" of all taxable real property
4 in the area. The rate per cent of tax determined shall be
5 extended to the current equalized assessed value of all
6 property in the economic development project area in the same
7 manner as the rate per cent of tax is extended to all other
8 taxable property in the taxing district. The method of
9 extending taxes established under this Section shall terminate
10 when the county adopts an ordinance dissolving the special tax
11 allocation fund for the economic development project area. This
12 Act shall not be construed as relieving property owners within
13 an economic development project area from paying a uniform rate
14 of taxes upon the current equalized assessed value of their
15 taxable property as provided in the Property Tax Code.

16 (Source: P.A. 93-715, eff. 7-12-04.)

17 Section 25. The Illinois Municipal Code is amended by
18 changing Sections 11-74.4-8, 11-74.4-9, and 11-74.6-40 as
19 follows:

20 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

21 Sec. 11-74.4-8. Tax increment allocation financing. A
22 municipality may not adopt tax increment financing in a
23 redevelopment project area after the effective date of this
24 amendatory Act of 1997 that will encompass an area that is

1 currently included in an enterprise zone created under the
2 Illinois Enterprise Zone Act unless that municipality,
3 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
4 amends the enterprise zone designating ordinance to limit the
5 eligibility for tax abatements as provided in Section 5.4.1 of
6 the Illinois Enterprise Zone Act. A municipality, at the time a
7 redevelopment project area is designated, may adopt tax
8 increment allocation financing by passing an ordinance
9 providing that the ad valorem taxes, if any, arising from the
10 levies upon taxable real property in such redevelopment project
11 area by taxing districts and tax rates determined in the manner
12 provided in paragraph (c) of Section 11-74.4-9 each year after
13 the effective date of the ordinance until redevelopment project
14 costs and all municipal obligations financing redevelopment
15 project costs incurred under this Division have been paid shall
16 be divided as follows:

17 (a) That portion of taxes levied upon each taxable lot,
18 block, tract or parcel of real property which is attributable
19 to the lower of the current equalized assessed value or the
20 initial equalized assessed value of each such taxable lot,
21 block, tract or parcel of real property in the redevelopment
22 project area shall be allocated to and when collected shall be
23 paid by the county collector to the respective affected taxing
24 districts in the manner required by law in the absence of the
25 adoption of tax increment allocation financing.

26 (b) Except from a tax levied by a township to retire bonds

1 issued to satisfy court-ordered damages, that portion, if any,
2 of such taxes which is attributable to the increase in the
3 current equalized assessed valuation of each taxable lot,
4 block, tract or parcel of real property in the redevelopment
5 project area over and above the initial equalized assessed
6 value of each property in the project area shall be allocated
7 to and when collected shall be paid to the municipal treasurer
8 who shall deposit said taxes into a special fund called the
9 special tax allocation fund of the municipality for the purpose
10 of paying redevelopment project costs and obligations incurred
11 in the payment thereof. In any county with a population of
12 3,000,000 or more that has adopted a procedure for collecting
13 taxes that provides for one or more of the installments of the
14 taxes to be billed and collected on an estimated basis, the
15 municipal treasurer shall be paid for deposit in the special
16 tax allocation fund of the municipality, from the taxes
17 collected from estimated bills issued for property in the
18 redevelopment project area, the difference between the amount
19 actually collected from each taxable lot, block, tract, or
20 parcel of real property within the redevelopment project area
21 and an amount determined by multiplying the rate at which taxes
22 were last extended against the taxable lot, block, track, or
23 parcel of real property in the manner provided in subsection
24 (c) of Section 11-74.4-9 by the initial equalized assessed
25 value of the property divided by the number of installments in
26 which real estate taxes are billed and collected within the

1 county; provided that the payments on or before December 31,
2 1999 to a municipal treasurer shall be made only if each of the
3 following conditions are met:

4 (1) The total equalized assessed value of the
5 redevelopment project area as last determined was not less
6 than 175% of the total initial equalized assessed value.

7 (2) Not more than 50% of the total equalized assessed
8 value of the redevelopment project area as last determined
9 is attributable to a piece of property assigned a single
10 real estate index number.

11 (3) The municipal clerk has certified to the county
12 clerk that the municipality has issued its obligations to
13 which there has been pledged the incremental property taxes
14 of the redevelopment project area or taxes levied and
15 collected on any or all property in the municipality or the
16 full faith and credit of the municipality to pay or secure
17 payment for all or a portion of the redevelopment project
18 costs. The certification shall be filed annually no later
19 than September 1 for the estimated taxes to be distributed
20 in the following year; however, for the year 1992 the
21 certification shall be made at any time on or before March
22 31, 1992.

23 (4) The municipality has not requested that the total
24 initial equalized assessed value of real property be
25 adjusted as provided in subsection (b) of Section
26 11-74.4-9.

1 The conditions of paragraphs (1) through (4) do not apply
2 after December 31, 1999 to payments to a municipal treasurer
3 made by a county with 3,000,000 or more inhabitants that has
4 adopted an estimated billing procedure for collecting taxes. If
5 a county that has adopted the estimated billing procedure makes
6 an erroneous overpayment of tax revenue to the municipal
7 treasurer, then the county may seek a refund of that
8 overpayment. The county shall send the municipal treasurer a
9 notice of liability for the overpayment on or before the
10 mailing date of the next real estate tax bill within the
11 county. The refund shall be limited to the amount of the
12 overpayment.

13 It is the intent of this Division that after the effective
14 date of this amendatory Act of 1988 a municipality's own ad
15 valorem tax arising from levies on taxable real property be
16 included in the determination of incremental revenue in the
17 manner provided in paragraph (c) of Section 11-74.4-9. If the
18 municipality does not extend such a tax, it shall annually
19 deposit in the municipality's Special Tax Increment Fund an
20 amount equal to 10% of the total contributions to the fund from
21 all other taxing districts in that year. The annual 10% deposit
22 required by this paragraph shall be limited to the actual
23 amount of municipally produced incremental tax revenues
24 available to the municipality from taxpayers located in the
25 redevelopment project area in that year if: (a) the plan for
26 the area restricts the use of the property primarily to

1 industrial purposes, (b) the municipality establishing the
2 redevelopment project area is a home-rule community with a 1990
3 population of between 25,000 and 50,000, (c) the municipality
4 is wholly located within a county with a 1990 population of
5 over 750,000 and (d) the redevelopment project area was
6 established by the municipality prior to June 1, 1990. This
7 payment shall be in lieu of a contribution of ad valorem taxes
8 on real property. If no such payment is made, any redevelopment
9 project area of the municipality shall be dissolved.

10 If a municipality has adopted tax increment allocation
11 financing by ordinance and the County Clerk thereafter
12 certifies the "total initial equalized assessed value as
13 adjusted" of the taxable real property within such
14 redevelopment project area in the manner provided in paragraph
15 (b) of Section 11-74.4-9, each year after the date of the
16 certification of the total initial equalized assessed value as
17 adjusted until redevelopment project costs and all municipal
18 obligations financing redevelopment project costs have been
19 paid the ad valorem taxes, if any, arising from the levies upon
20 the taxable real property in such redevelopment project area by
21 taxing districts and tax rates determined in the manner
22 provided in paragraph (c) of Section 11-74.4-9 shall be divided
23 as follows:

- 24 (1) That portion of the taxes levied upon each taxable
25 lot, block, tract or parcel of real property which is
26 attributable to the lower of the current equalized assessed

1 value or "current equalized assessed value as adjusted" or
2 the initial equalized assessed value of each such taxable
3 lot, block, tract, or parcel of real property existing at
4 the time tax increment financing was adopted, minus the
5 total current homestead exemptions provided by Sections
6 15-167, 15-170, 15-175, and 15-176 of the Property Tax Code
7 in the redevelopment project area shall be allocated to and
8 when collected shall be paid by the county collector to the
9 respective affected taxing districts in the manner
10 required by law in the absence of the adoption of tax
11 increment allocation financing.

12 (2) That portion, if any, of such taxes which is
13 attributable to the increase in the current equalized
14 assessed valuation of each taxable lot, block, tract, or
15 parcel of real property in the redevelopment project area,
16 over and above the initial equalized assessed value of each
17 property existing at the time tax increment financing was
18 adopted, minus the total current homestead exemptions
19 pertaining to each piece of property provided by Sections
20 15-167, 15-170, 15-175, and 15-176 of the Property Tax Code
21 in the redevelopment project area, shall be allocated to
22 and when collected shall be paid to the municipal
23 Treasurer, who shall deposit said taxes into a special fund
24 called the special tax allocation fund of the municipality
25 for the purpose of paying redevelopment project costs and
26 obligations incurred in the payment thereof.

1 The municipality may pledge in the ordinance the funds in
2 and to be deposited in the special tax allocation fund for the
3 payment of such costs and obligations. No part of the current
4 equalized assessed valuation of each property in the
5 redevelopment project area attributable to any increase above
6 the total initial equalized assessed value, or the total
7 initial equalized assessed value as adjusted, of such
8 properties shall be used in calculating the general State
9 school aid formula, provided for in Section 18-8 of the School
10 Code, until such time as all redevelopment project costs have
11 been paid as provided for in this Section.

12 Whenever a municipality issues bonds for the purpose of
13 financing redevelopment project costs, such municipality may
14 provide by ordinance for the appointment of a trustee, which
15 may be any trust company within the State, and for the
16 establishment of such funds or accounts to be maintained by
17 such trustee as the municipality shall deem necessary to
18 provide for the security and payment of the bonds. If such
19 municipality provides for the appointment of a trustee, such
20 trustee shall be considered the assignee of any payments
21 assigned by the municipality pursuant to such ordinance and
22 this Section. Any amounts paid to such trustee as assignee
23 shall be deposited in the funds or accounts established
24 pursuant to such trust agreement, and shall be held by such
25 trustee in trust for the benefit of the holders of the bonds,
26 and such holders shall have a lien on and a security interest

1 in such funds or accounts so long as the bonds remain
2 outstanding and unpaid. Upon retirement of the bonds, the
3 trustee shall pay over any excess amounts held to the
4 municipality for deposit in the special tax allocation fund.

5 When such redevelopment projects costs, including without
6 limitation all municipal obligations financing redevelopment
7 project costs incurred under this Division, have been paid, all
8 surplus funds then remaining in the special tax allocation fund
9 shall be distributed by being paid by the municipal treasurer
10 to the Department of Revenue, the municipality and the county
11 collector; first to the Department of Revenue and the
12 municipality in direct proportion to the tax incremental
13 revenue received from the State and the municipality, but not
14 to exceed the total incremental revenue received from the State
15 or the municipality less any annual surplus distribution of
16 incremental revenue previously made; with any remaining funds
17 to be paid to the County Collector who shall immediately
18 thereafter pay said funds to the taxing districts in the
19 redevelopment project area in the same manner and proportion as
20 the most recent distribution by the county collector to the
21 affected districts of real property taxes from real property in
22 the redevelopment project area.

23 Upon the payment of all redevelopment project costs, the
24 retirement of obligations, the distribution of any excess
25 monies pursuant to this Section, and final closing of the books
26 and records of the redevelopment project area, the municipality

1 shall adopt an ordinance dissolving the special tax allocation
2 fund for the redevelopment project area and terminating the
3 designation of the redevelopment project area as a
4 redevelopment project area. Title to real or personal property
5 and public improvements acquired by or for the municipality as
6 a result of the redevelopment project and plan shall vest in
7 the municipality when acquired and shall continue to be held by
8 the municipality after the redevelopment project area has been
9 terminated. Municipalities shall notify affected taxing
10 districts prior to November 1 if the redevelopment project area
11 is to be terminated by December 31 of that same year. If a
12 municipality extends estimated dates of completion of a
13 redevelopment project and retirement of obligations to finance
14 a redevelopment project, as allowed by this amendatory Act of
15 1993, that extension shall not extend the property tax
16 increment allocation financing authorized by this Section.
17 Thereafter the rates of the taxing districts shall be extended
18 and taxes levied, collected and distributed in the manner
19 applicable in the absence of the adoption of tax increment
20 allocation financing.

21 Nothing in this Section shall be construed as relieving
22 property in such redevelopment project areas from being
23 assessed as provided in the Property Tax Code or as relieving
24 owners of such property from paying a uniform rate of taxes, as
25 required by Section 4 of Article 9 of the Illinois
26 Constitution.

1 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03;
2 93-715, eff. 7-12-04.)

3 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

4 Sec. 11-74.4-9. Equalized assessed value of property.

5 (a) If a municipality by ordinance provides for tax
6 increment allocation financing pursuant to Section 11-74.4-8,
7 the county clerk immediately thereafter shall determine (1) the
8 most recently ascertained equalized assessed value of each lot,
9 block, tract or parcel of real property within such
10 redevelopment project area from which shall be deducted the
11 homestead exemptions provided by Sections 15-167, 15-170,
12 15-175, and 15-176 of the Property Tax Code, which value shall
13 be the "initial equalized assessed value" of each such piece of
14 property, and (2) the total equalized assessed value of all
15 taxable real property within such redevelopment project area by
16 adding together the most recently ascertained equalized
17 assessed value of each taxable lot, block, tract, or parcel of
18 real property within such project area, from which shall be
19 deducted the homestead exemptions provided by Sections 15-167,
20 15-170, 15-175, and 15-176 of the Property Tax Code, and shall
21 certify such amount as the "total initial equalized assessed
22 value" of the taxable real property within such project area.

23 (b) In reference to any municipality which has adopted tax
24 increment financing after January 1, 1978, and in respect to
25 which the county clerk has certified the "total initial

1 equalized assessed value" of the property in the redevelopment
2 area, the municipality may thereafter request the clerk in
3 writing to adjust the initial equalized value of all taxable
4 real property within the redevelopment project area by
5 deducting therefrom the exemptions provided for by Sections
6 15-167, 15-170, 15-175, and 15-176 of the Property Tax Code
7 applicable to each lot, block, tract or parcel of real property
8 within such redevelopment project area. The county clerk shall
9 immediately after the written request to adjust the total
10 initial equalized value is received determine the total
11 homestead exemptions in the redevelopment project area
12 provided by Sections 15-167, 15-170, 15-175, and 15-176 of the
13 Property Tax Code by adding together the homestead exemptions
14 provided by said Sections on each lot, block, tract or parcel
15 of real property within such redevelopment project area and
16 then shall deduct the total of said exemptions from the total
17 initial equalized assessed value. The county clerk shall then
18 promptly certify such amount as the "total initial equalized
19 assessed value as adjusted" of the taxable real property within
20 such redevelopment project area.

21 (c) After the county clerk has certified the "total initial
22 equalized assessed value" of the taxable real property in such
23 area, then in respect to every taxing district containing a
24 redevelopment project area, the county clerk or any other
25 official required by law to ascertain the amount of the
26 equalized assessed value of all taxable property within such

1 district for the purpose of computing the rate per cent of tax
2 to be extended upon taxable property within such district,
3 shall in every year that tax increment allocation financing is
4 in effect ascertain the amount of value of taxable property in
5 a redevelopment project area by including in such amount the
6 lower of the current equalized assessed value or the certified
7 "total initial equalized assessed value" of all taxable real
8 property in such area, except that after he has certified the
9 "total initial equalized assessed value as adjusted" he shall
10 in the year of said certification if tax rates have not been
11 extended and in every year thereafter that tax increment
12 allocation financing is in effect ascertain the amount of value
13 of taxable property in a redevelopment project area by
14 including in such amount the lower of the current equalized
15 assessed value or the certified "total initial equalized
16 assessed value as adjusted" of all taxable real property in
17 such area. The rate per cent of tax determined shall be
18 extended to the current equalized assessed value of all
19 property in the redevelopment project area in the same manner
20 as the rate per cent of tax is extended to all other taxable
21 property in the taxing district. The method of extending taxes
22 established under this Section shall terminate when the
23 municipality adopts an ordinance dissolving the special tax
24 allocation fund for the redevelopment project area. This
25 Division shall not be construed as relieving property owners
26 within a redevelopment project area from paying a uniform rate

1 of taxes upon the current equalized assessed value of their
2 taxable property as provided in the Property Tax Code.

3 (Source: P.A. 93-715, eff. 7-12-04.)

4 (65 ILCS 5/11-74.6-40)

5 Sec. 11-74.6-40. Equalized assessed value determination;
6 property tax extension.

7 (a) If a municipality by ordinance provides for tax
8 increment allocation financing under Section 11-74.6-35, the
9 county clerk immediately thereafter:

10 (1) shall determine the initial equalized assessed
11 value of each parcel of real property in the redevelopment
12 project area, which is the most recently established
13 equalized assessed value of each lot, block, tract or
14 parcel of taxable real property within the redevelopment
15 project area, minus the homestead exemptions provided by
16 Sections 15-167, 15-170, 15-175, and 15-176 of the Property
17 Tax Code; and

18 (2) shall certify to the municipality the total initial
19 equalized assessed value of all taxable real property
20 within the redevelopment project area.

21 (b) Any municipality that has established a vacant
22 industrial buildings conservation area may, by ordinance
23 passed after the adoption of tax increment allocation
24 financing, provide that the county clerk immediately
25 thereafter shall again determine:

1 (1) the updated initial equalized assessed value of
2 each lot, block, tract or parcel of real property, which is
3 the most recently ascertained equalized assessed value of
4 each lot, block, tract or parcel of real property within
5 the vacant industrial buildings conservation area; and

6 (2) the total updated initial equalized assessed value
7 of all taxable real property within the redevelopment
8 project area, which is the total of the updated initial
9 equalized assessed value of all taxable real property
10 within the vacant industrial buildings conservation area.

11 The county clerk shall certify to the municipality the
12 total updated initial equalized assessed value of all taxable
13 real property within the industrial buildings conservation
14 area.

15 (c) After the county clerk has certified the total initial
16 equalized assessed value or the total updated initial equalized
17 assessed value of the taxable real property in the area, for
18 each taxing district in which a redevelopment project area is
19 situated, the county clerk or any other official required by
20 law to determine the amount of the equalized assessed value of
21 all taxable property within the district for the purpose of
22 computing the percentage rate of tax to be extended upon
23 taxable property within the district, shall in every year that
24 tax increment allocation financing is in effect determine the
25 total equalized assessed value of taxable property in a
26 redevelopment project area by including in that amount the

1 lower of the current equalized assessed value or the certified
2 total initial equalized assessed value or, if the total of
3 updated equalized assessed value has been certified, the total
4 updated initial equalized assessed value of all taxable real
5 property in the redevelopment project area. After he has
6 certified the total initial equalized assessed value he shall
7 in the year of that certification, if tax rates have not been
8 extended, and in every subsequent year that tax increment
9 allocation financing is in effect, determine the amount of
10 equalized assessed value of taxable property in a redevelopment
11 project area by including in that amount the lower of the
12 current total equalized assessed value or the certified total
13 initial equalized assessed value or, if the total of updated
14 initial equalized assessed values have been certified, the
15 total updated initial equalized assessed value of all taxable
16 real property in the redevelopment project area.

17 (d) The percentage rate of tax determined shall be extended
18 on the current equalized assessed value of all property in the
19 redevelopment project area in the same manner as the rate per
20 cent of tax is extended to all other taxable property in the
21 taxing district. The method of extending taxes established
22 under this Section shall terminate when the municipality adopts
23 an ordinance dissolving the special tax allocation fund for the
24 redevelopment project area. This Law shall not be construed as
25 relieving property owners within a redevelopment project area
26 from paying a uniform rate of taxes upon the current equalized

1 assessed value of their taxable property as provided in the
2 Property Tax Code.

3 (Source: P.A. 93-715, eff. 7-12-04.)

4 Section 30. The Economic Development Project Area Tax
5 Increment Allocation Act of 1995 is amended by changing Section
6 45 as follows:

7 (65 ILCS 110/45)

8 Sec. 45. Filing with county clerk; certification of initial
9 equalized assessed value.

10 (a) A municipality that has by ordinance approved an
11 economic development plan, established an economic development
12 project area, and adopted tax increment allocation financing
13 for that area shall file certified copies of the ordinance or
14 ordinances with the county clerk. Upon receiving the ordinance
15 or ordinances, the county clerk shall immediately determine (i)
16 the most recently ascertained equalized assessed value of each
17 lot, block, tract, or parcel of real property within the
18 economic development project area from which shall be deducted
19 the homestead exemptions provided by Sections 15-167, 15-170,
20 15-175, and 15-176 of the Property Tax Code (that value being
21 the "initial equalized assessed value" of each such piece of
22 property) and (ii) the total equalized assessed value of all
23 taxable real property within the economic development project
24 area by adding together the most recently ascertained equalized

1 assessed value of each taxable lot, block, tract, or parcel of
2 real property within the economic development project area,
3 from which shall be deducted the homestead exemptions provided
4 by Sections 15-167, 15-170, 15-175, and 15-176 of the Property
5 Tax Code, and shall certify that amount as the "total initial
6 equalized assessed value" of the taxable real property within
7 the economic development project area.

8 (b) After the county clerk has certified the "total initial
9 equalized assessed value" of the taxable real property in the
10 economic development project area, then in respect to every
11 taxing district containing an economic development project
12 area, the county clerk or any other official required by law to
13 ascertain the amount of the equalized assessed value of all
14 taxable property within the taxing district for the purpose of
15 computing the rate per cent of tax to be extended upon taxable
16 property within the taxing district shall, in every year that
17 tax increment allocation financing is in effect, ascertain the
18 amount of value of taxable property in an economic development
19 project area by including in that amount the lower of the
20 current equalized assessed value or the certified "total
21 initial equalized assessed value" of all taxable real property
22 in the area. The rate per cent of tax determined shall be
23 extended to the current equalized assessed value of all
24 property in the economic development project area in the same
25 manner as the rate per cent of tax is extended to all other
26 taxable property in the taxing district. The method of

1 extending taxes established under this Section shall terminate
2 when the municipality adopts an ordinance dissolving the
3 special tax allocation fund for the economic development
4 project area. This Act shall not be construed as relieving
5 owners or lessees of property within an economic development
6 project area from paying a uniform rate of taxes upon the
7 current equalized assessed value of their taxable property as
8 provided in the Property Tax Code.

9 (Source: P.A. 93-715, eff. 7-12-04.)

10 Section 90. The State Mandates Act is amended by adding
11 Section 8.31 as follows:

12 (30 ILCS 805/8.31 new)

13 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
14 of this Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this amendatory Act of
16 the 95th General Assembly.

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

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