



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1867

Introduced 2/23/2007, by Rep. Elizabeth Hernandez

SYNOPSIS AS INTRODUCED:

20 ILCS 620/6	from Ch. 67 1/2, par. 1006
55 ILCS 85/6	from Ch. 34, par. 7006
55 ILCS 90/45	from Ch. 34, par. 8045
65 ILCS 5/11-74.4-9	from Ch. 24, par. 11-74.4-9
65 ILCS 110/45	

Amends the Economic Development Area Tax Increment Allocation Act, the County Economic Development Project Area Property Tax Allocation Act, the County Economic Development Project Area Tax Increment Allocation Act of 1991, the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code, the Industrial Jobs Recovery Law in the Illinois Municipal Code, and the Economic Development Project Area Tax Increment Allocation Act of 1995. Provides that, beginning January 1, 2008, the initial equalized assessed value of all taxable real property within the economic development project area must be increased over the initial equalized assessed value of the previous year by the annual rate of increase, for the previous calendar year, of the Consumer Price Index for All Urban Consumers for all items, published by the United States Bureau of Labor Statistics. Effective immediately.

LRB095 09915 BDD 30126 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 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 15-170, 15-175, and
17 15-176 of the Property Tax Code, which value shall be the
18 "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 15-170, 15-175, and 15-176 of the Property Tax
3 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 (c) Beginning January 1, 2008, each year, the initial
10 equalized assessed value must be increased over the initial
11 equalized assessed value of the previous year by the annual
12 rate of increase, for the previous calendar year, of the
13 Consumer Price Index for All Urban Consumers for all items,
14 published by the United States Bureau of Labor Statistics.

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

16 Section 10. The County Economic Development Project Area
17 Property Tax Allocation Act is amended by changing Section 6 as
18 follows:

19 (55 ILCS 85/6) (from Ch. 34, par. 7006)

20 Sec. 6. Filing with county clerk; certification of initial
21 equalized assessed value.

22 (a) The county shall file a certified copy of any ordinance
23 authorizing property tax allocation financing for an economic
24 development project area with the county clerk, and the county

1 clerk shall immediately thereafter determine (1) the most
2 recently ascertained equalized assessed value of each lot,
3 block, tract or parcel of real property within the economic
4 development project area from which shall be deducted the
5 homestead exemptions provided by Sections 15-170, 15-175, and
6 15-176 of the Property Tax Code, which value shall be the
7 "initial equalized assessed value" of each such piece of
8 property, and (2) the total equalized assessed value of all
9 taxable real property within the economic development project
10 area by adding together the most recently ascertained equalized
11 assessed value of each taxable lot, block, tract, or parcel of
12 real property within such economic development project area,
13 from which shall be deducted the homestead exemptions provided
14 by Sections 15-170, 15-175, and 15-176 of the Property Tax
15 Code. Upon receiving written notice from the Department of its
16 approval and certification of such economic development
17 project area, the county clerk shall immediately certify such
18 amount as the "total initial equalized assessed value" of the
19 taxable property within the economic development project area.

20 (b) After the county clerk has certified the "total initial
21 equalized assessed value" of the taxable real property in the
22 economic development project area, then in respect to every
23 taxing district containing an economic development project
24 area, the county clerk or any other official required by law to
25 ascertain the amount of the equalized assessed value of all
26 taxable property within that taxing district for the purpose of

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

21 (c) Beginning January 1, 2008, each year, the initial
22 equalized assessed value must be increased over the initial
23 equalized assessed value of the previous year by the annual
24 rate of increase, for the previous calendar year, of the
25 Consumer Price Index for All Urban Consumers for all items,
26 published by the United States Bureau of Labor Statistics.

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

2 Section 15. The County Economic Development Project Area
3 Tax Increment Allocation Act of 1991 is amended by changing
4 Section 45 as follows:

5 (55 ILCS 90/45) (from Ch. 34, par. 8045)

6 Sec. 45. Filing with county clerk; certification of initial
7 equalized assessed value.

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

1 from which shall be deducted the homestead exemptions provided
2 by Sections 15-170, 15-175, and 15-176 of the Property Tax
3 Code, and shall certify that 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 the taxing district for the purpose of
13 computing the rate per cent of tax to be extended upon taxable
14 property within the 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 the 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 extending taxes established under this Section shall terminate
26 when the county adopts an ordinance dissolving the special tax

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

6 (c) Beginning January 1, 2008, each year, the initial
7 equalized assessed value must be increased over the initial
8 equalized assessed value of the previous year by the annual
9 rate of increase, for the previous calendar year, of the
10 Consumer Price Index for All Urban Consumers for all items,
11 published by the United States Bureau of Labor Statistics.

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

13 Section 20. The Illinois Municipal Code is amended by
14 changing Section 11-74.4-9 as follows:

15 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

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

17 (a) If a municipality by ordinance provides for tax
18 increment allocation financing pursuant to Section 11-74.4-8,
19 the county clerk immediately thereafter shall determine (1) the
20 most recently ascertained equalized assessed value of each lot,
21 block, tract or parcel of real property within such
22 redevelopment project area from which shall be deducted the
23 homestead exemptions provided by Sections 15-170, 15-175, and
24 15-176 of the Property Tax Code, which value shall be the

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

11 (b) In reference to any municipality which has adopted tax
12 increment financing after January 1, 1978, and in respect to
13 which the county clerk has certified the "total initial
14 equalized assessed value" of the property in the redevelopment
15 area, the municipality may thereafter request the clerk in
16 writing to adjust the initial equalized value of all taxable
17 real property within the redevelopment project area by
18 deducting therefrom the exemptions provided for by Sections
19 15-170, 15-175, and 15-176 of the Property Tax Code applicable
20 to each lot, block, tract or parcel of real property within
21 such redevelopment project area. The county clerk shall
22 immediately after the written request to adjust the total
23 initial equalized value is received determine the total
24 homestead exemptions in the redevelopment project area
25 provided by Sections 15-170, 15-175, and 15-176 of the Property
26 Tax Code by adding together the homestead exemptions provided

1 by said Sections on each lot, block, tract or parcel of real
2 property within such redevelopment project area and then shall
3 deduct the total of said exemptions from the total initial
4 equalized assessed value. The county clerk shall then promptly
5 certify such amount as the "total initial equalized assessed
6 value as adjusted" of the taxable real property within such
7 redevelopment project area.

8 (b-5) Beginning January 1, 2008, each year, the initial
9 equalized assessed value must be increased over the initial
10 equalized assessed value of the previous year by the annual
11 rate of increase, for the previous calendar year, of the
12 Consumer Price Index for All Urban Consumers for all items,
13 published by the United States Bureau of Labor Statistics.

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

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

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

23 Section 25. The Economic Development Project Area Tax
24 Increment Allocation Act of 1995 is amended by changing Section
25 45 as follows:

1 (65 ILCS 110/45)

2 Sec. 45. Filing with county clerk; certification of initial
3 equalized assessed value.

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

1 (b) After the county clerk has certified the "total initial
2 equalized assessed value" of the taxable real property in the
3 economic development project area, then in respect to every
4 taxing district containing an economic development project
5 area, the county clerk or any other official required by law to
6 ascertain the amount of the equalized assessed value of all
7 taxable property within the taxing district for the purpose of
8 computing the rate per cent of tax to be extended upon taxable
9 property within the taxing district shall, in every year that
10 tax increment allocation financing is in effect, ascertain the
11 amount of value of taxable property in an economic development
12 project area by including in that amount the lower of the
13 current equalized assessed value or the certified "total
14 initial equalized assessed value" of all taxable real property
15 in the area. The rate per cent of tax determined shall be
16 extended to the current equalized assessed value of all
17 property in the economic development project area in the same
18 manner as the rate per cent of tax is extended to all other
19 taxable property in the taxing district. The method of
20 extending taxes established under this Section shall terminate
21 when the municipality adopts an ordinance dissolving the
22 special tax allocation fund for the economic development
23 project area. This Act shall not be construed as relieving
24 owners or lessees of property within an economic development
25 project area from paying a uniform rate of taxes upon the
26 current equalized assessed value of their taxable property as

1 provided in the Property Tax Code.

2 (c) Beginning January 1, 2008, each year, the initial
3 equalized assessed value must be increased over the initial
4 equalized assessed value of the previous year by the annual
5 rate of increase, for the previous calendar year, of the
6 Consumer Price Index for All Urban Consumers for all items,
7 published by the United States Bureau of Labor Statistics.

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