



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1620

Introduced 2/9/2011, by Sen. Heather A. Steans

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-7

from Ch. 24, par. 11-74.4-7

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that all accumulated tax incremental revenues not specifically appropriated for defined costs for projects within a redevelopment project area by the end of a municipality's fiscal year shall be deemed "surplus" funds. Provides that all surplus funds in the special tax allocation fund shall be distributed annually within 60 (instead of 180) days after the close of the municipality's fiscal year. Effective immediately.

LRB097 08948 KMW 49081 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 Illinois Municipal Code is amended by
5 changing Section 11-74.4-7 as follows:

6 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

7 Sec. 11-74.4-7. Obligations secured by the special tax
8 allocation fund set forth in Section 11-74.4-8 for the
9 redevelopment project area may be issued to provide for
10 redevelopment project costs. Such obligations, when so issued,
11 shall be retired in the manner provided in the ordinance
12 authorizing the issuance of such obligations by the receipts of
13 taxes levied as specified in Section 11-74.4-9 against the
14 taxable property included in the area, by revenues as specified
15 by Section 11-74.4-8a and other revenue designated by the
16 municipality. A municipality may in the ordinance pledge all or
17 any part of the funds in and to be deposited in the special tax
18 allocation fund created pursuant to Section 11-74.4-8 to the
19 payment of the redevelopment project costs and obligations. Any
20 pledge of funds in the special tax allocation fund shall
21 provide for distribution to the taxing districts and to the
22 Illinois Department of Revenue of moneys not required, pledged,
23 earmarked, or otherwise designated for payment and securing of

1 the obligations and anticipated redevelopment project costs
2 and such excess funds shall be calculated annually and deemed
3 to be "surplus" funds. In the event a municipality only applies
4 or pledges a portion of the funds in the special tax allocation
5 fund for the payment or securing of anticipated redevelopment
6 project costs or of obligations, any such funds remaining in
7 the special tax allocation fund after complying with the
8 requirements of the application or pledge, shall also be
9 calculated annually and deemed "surplus" funds.
10 Notwithstanding the foregoing, after the effective date of this
11 amendatory Act of the 97th General Assembly, all accumulated
12 tax incremental revenues not specifically appropriated for
13 defined costs for projects within a redevelopment project area
14 by the end of a municipality's fiscal year shall also be deemed
15 "surplus" funds. All surplus funds in the special tax
16 allocation fund shall be distributed annually within 60 ~~180~~
17 days after the close of the municipality's fiscal year by being
18 paid by the municipal treasurer to the County Collector, to the
19 Department of Revenue and to the municipality in direct
20 proportion to the tax incremental revenue received as a result
21 of an increase in the equalized assessed value of property in
22 the redevelopment project area, tax incremental revenue
23 received from the State and tax incremental revenue received
24 from the municipality, but not to exceed as to each such source
25 the total incremental revenue received from that source. The
26 County Collector shall thereafter make distribution to the

1 respective taxing districts in the same manner and proportion
2 as the most recent distribution by the county collector to the
3 affected districts of real property taxes from real property in
4 the redevelopment project area.

5 Without limiting the foregoing in this Section, the
6 municipality may in addition to obligations secured by the
7 special tax allocation fund pledge for a period not greater
8 than the term of the obligations towards payment of such
9 obligations any part or any combination of the following: (a)
10 net revenues of all or part of any redevelopment project; (b)
11 taxes levied and collected on any or all property in the
12 municipality; (c) the full faith and credit of the
13 municipality; (d) a mortgage on part or all of the
14 redevelopment project; or (e) any other taxes or anticipated
15 receipts that the municipality may lawfully pledge.

16 Such obligations may be issued in one or more series
17 bearing interest at such rate or rates as the corporate
18 authorities of the municipality shall determine by ordinance.
19 Such obligations shall bear such date or dates, mature at such
20 time or times not exceeding 20 years from their respective
21 dates, be in such denomination, carry such registration
22 privileges, be executed in such manner, be payable in such
23 medium of payment at such place or places, contain such
24 covenants, terms and conditions, and be subject to redemption
25 as such ordinance shall provide. Obligations issued pursuant to
26 this Act may be sold at public or private sale at such price as

1 shall be determined by the corporate authorities of the
2 municipalities. No referendum approval of the electors shall be
3 required as a condition to the issuance of obligations pursuant
4 to this Division except as provided in this Section.

5 In the event the municipality authorizes issuance of
6 obligations pursuant to the authority of this Division secured
7 by the full faith and credit of the municipality, which
8 obligations are other than obligations which may be issued
9 under home rule powers provided by Article VII, Section 6 of
10 the Illinois Constitution, or pledges taxes pursuant to (b) or
11 (c) of the second paragraph of this section, the ordinance
12 authorizing the issuance of such obligations or pledging such
13 taxes shall be published within 10 days after such ordinance
14 has been passed in one or more newspapers, with general
15 circulation within such municipality. The publication of the
16 ordinance shall be accompanied by a notice of (1) the specific
17 number of voters required to sign a petition requesting the
18 question of the issuance of such obligations or pledging taxes
19 to be submitted to the electors; (2) the time in which such
20 petition must be filed; and (3) the date of the prospective
21 referendum. The municipal clerk shall provide a petition form
22 to any individual requesting one.

23 If no petition is filed with the municipal clerk, as
24 hereinafter provided in this Section, within 30 days after the
25 publication of the ordinance, the ordinance shall be in effect.
26 But, if within that 30 day period a petition is filed with the

1 municipal clerk, signed by electors in the municipality
2 numbering 10% or more of the number of registered voters in the
3 municipality, asking that the question of issuing obligations
4 using full faith and credit of the municipality as security for
5 the cost of paying for redevelopment project costs, or of
6 pledging taxes for the payment of such obligations, or both, be
7 submitted to the electors of the municipality, the corporate
8 authorities of the municipality shall call a special election
9 in the manner provided by law to vote upon that question, or,
10 if a general, State or municipal election is to be held within
11 a period of not less than 30 or more than 90 days from the date
12 such petition is filed, shall submit the question at the next
13 general, State or municipal election. If it appears upon the
14 canvass of the election by the corporate authorities that a
15 majority of electors voting upon the question voted in favor
16 thereof, the ordinance shall be in effect, but if a majority of
17 the electors voting upon the question are not in favor thereof,
18 the ordinance shall not take effect.

19 The ordinance authorizing the obligations may provide that
20 the obligations shall contain a recital that they are issued
21 pursuant to this Division, which recital shall be conclusive
22 evidence of their validity and of the regularity of their
23 issuance.

24 In the event the municipality authorizes issuance of
25 obligations pursuant to this Section secured by the full faith
26 and credit of the municipality, the ordinance authorizing the

1 obligations may provide for the levy and collection of a direct
2 annual tax upon all taxable property within the municipality
3 sufficient to pay the principal thereof and interest thereon as
4 it matures, which levy may be in addition to and exclusive of
5 the maximum of all other taxes authorized to be levied by the
6 municipality, which levy, however, shall be abated to the
7 extent that monies from other sources are available for payment
8 of the obligations and the municipality certifies the amount of
9 said monies available to the county clerk.

10 A certified copy of such ordinance shall be filed with the
11 county clerk of each county in which any portion of the
12 municipality is situated, and shall constitute the authority
13 for the extension and collection of the taxes to be deposited
14 in the special tax allocation fund.

15 A municipality may also issue its obligations to refund in
16 whole or in part, obligations theretofore issued by such
17 municipality under the authority of this Act, whether at or
18 prior to maturity, provided however, that the last maturity of
19 the refunding obligations may not be later than the dates set
20 forth under Section 11-74.4-3.5.

21 In the event a municipality issues obligations under home
22 rule powers or other legislative authority the proceeds of
23 which are pledged to pay for redevelopment project costs, the
24 municipality may, if it has followed the procedures in
25 conformance with this division, retire said obligations from
26 funds in the special tax allocation fund in amounts and in such

1 manner as if such obligations had been issued pursuant to the
2 provisions of this division.

3 All obligations heretofore or hereafter issued pursuant to
4 this Act shall not be regarded as indebtedness of the
5 municipality issuing such obligations or any other taxing
6 district for the purpose of any limitation imposed by law.

7 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,
8 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;
9 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.
10 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,
11 eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08;
12 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the
13 effective date of changes made by P.A. 95-1028); 96-328, eff.
14 8-11-09; 96-1000, eff. 7-2-10.)

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