

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 Property Tax Code is amended by changing
5 Sections 27-5 and 27-25 and by adding Sections 27-100, 27-105,
6 27-110, 27-115, 27-120, and 27-125 as follows:

7 (35 ILCS 200/27-5)

8 Sec. 27-5. Short title; definitions. This Article may be
9 cited as the Special Service Area Tax Law.

10 When used in this Article:

11 "Services contract" means an agreement between a service
12 provider agency and a municipality or county for the purpose of
13 providing special services in and for a special service area.

14 "Service provider agency" means an entity that enters into
15 a services contract with a municipality or county for the
16 purpose of providing special services in and for a special
17 service area.

18 "Special Service Area" means a contiguous area within a
19 municipality or county in which special governmental services
20 are provided in addition to those services provided generally
21 throughout the municipality or county, the cost of the special
22 services to be paid from revenues collected from taxes levied
23 or imposed upon property within that area. Territory shall be

1 considered contiguous for purposes of this Article even though
2 certain completely surrounded portions of the territory are
3 excluded from the special service area. A county may create a
4 special service area within a municipality or municipalities
5 when the municipality or municipalities consent to the creation
6 of the special service area. A municipality may create a
7 special service area within a municipality and the
8 unincorporated area of a county or within another municipality
9 when the county or other municipality consents to the creation
10 of the special service area.

11 "Special service area commission" means a local board
12 established by the corporate authorities of a municipality or
13 county for the purpose of managing a particular special service
14 area.

15 "Special Services" means all forms of services pertaining
16 to the government and affairs of the municipality or county,
17 including but not limited to weather modification and
18 improvements permissible under Article 9 of the Illinois
19 Municipal Code, and contracts for the supply of water as
20 described in Section 11-124-1 of the Illinois Municipal Code
21 which may be entered into by the municipality or by the county
22 on behalf of a county service area.

23 (Source: P.A. 86-1324; 88-445.)

24 (35 ILCS 200/27-25)

25 Sec. 27-25. Form of hearing notice. Taxes may be levied or

1 imposed by the municipality or county in the special service
2 area at a rate or amount of tax sufficient to produce revenues
3 required to provide the special services. Prior to the first
4 levy of taxes in the special service area, notice shall be
5 given and a hearing shall be held under the provisions of
6 Sections 27-30 and 27-35. For purposes of this Section the
7 notice shall include:

8 (a) The time and place of hearing;

9 (b) The boundaries of the area by legal description
10 and, where possible, by street location;

11 (c) The permanent tax index number of each parcel
12 located within the area;

13 (d) The nature of the proposed special services to be
14 provided within the special service area and a statement as
15 to whether the proposed special services are for new
16 construction, maintenance, or other purposes;

17 (d-5) The proposed amount of the tax levy for special
18 services for the initial year for which taxes will be
19 levied within the special service area;

20 (e) A notification that all interested persons,
21 including all persons owning taxable real property located
22 within the special service area, will be given an
23 opportunity to be heard at the hearing regarding the tax
24 levy and an opportunity to file objections to the amount of
25 the tax levy if the tax is a tax upon property; ~~and~~

26 (f) The maximum rate of taxes to be extended within the

1 special service area in any year and the maximum number of
2 years taxes will be levied if a maximum number of years is
3 to be established; and -

4 (g) If funds received through the special service area
5 are going to be used by a person or entity other than the
6 municipality or county, then a statement to that effect.

7 After the first levy of taxes within the special service
8 area, taxes may continue to be levied in subsequent years
9 without the requirement of an additional public hearing if the
10 tax rate does not exceed the rate specified in the notice for
11 the original public hearing and the taxes are not extended for
12 a longer period than the number of years specified in the
13 notice if a number of years is specified. Tax rates may be
14 increased and the period specified may be extended, if notice
15 is given and new public hearings are held in accordance with
16 Sections 27-30 and 27-35.

17 (Source: P.A. 97-1053, eff. 1-1-13.)

18 (35 ILCS 200/27-100 new)

19 Sec. 27-100. Special service area commissions.

20 (a) Notwithstanding any other provision of law, no member
21 of a special service area commission may be an executive
22 officer, owner, or member of the board of directors of the
23 service provider agency selected for a services contract for
24 that special service area.

25 (b) Notwithstanding any other provision of law, no business

1 owned by a member of a special service area commission may, for
2 valuable consideration, provide goods or services as a
3 subcontractor of a service provider agency pursuant to a
4 services contract for the special service area that is the
5 subject of that special service area commission. No business
6 owned by an employee or elected official of a municipality may,
7 for valuable consideration, provide goods or services as a
8 subcontractor of a service provider agency pursuant to a
9 services contract for any special service area located within
10 that municipality.

11 (c) At least one membership position for a special service
12 area commission in a special service area which contains one or
13 more homestead properties, as defined in Section 15-175, shall
14 be reserved as a first priority membership position for any
15 owner of homestead property located within such special service
16 area.

17 (d) This Section applies only in municipalities with
18 1,000,000 or more inhabitants.

19 (35 ILCS 200/27-105 new)

20 Sec. 27-105. Lines of credit. In municipalities with
21 1,000,000 or more inhabitants, special service area
22 commissions may not establish a loan or line of credit in
23 connection with the special service area. Service provider
24 agencies in those municipalities may establish a loan or line
25 of credit in connection with the special service area; however,

1 financing under this Section may not be secured by future tax
2 revenue generated by the special service area.

3 (35 ILCS 200/27-110 new)

4 Sec. 27-110. Special service area moneys used in the next
5 fiscal year. In municipalities with 1,000,000 or more
6 inhabitants, notwithstanding any other provision of law, if
7 there is excess money remaining in a special service area fund
8 at the end of a fiscal year, then the corporate authorities may
9 authorize the use of that excess money to provide special
10 services within the special service area in the next fiscal
11 year, provided that the total amount used for purposes other
12 than capital expenditures may not exceed 25% of the previous
13 fiscal year's budget for the special service area.

14 (35 ILCS 200/27-115 new)

15 Sec. 27-115. Special service area audits. In
16 municipalities with 1,000,000 or more inhabitants, each
17 special service area commission shall cause an audit of the
18 funds and accounts of the special service area to be submitted
19 to the corporate authorities of the municipality at least
20 annually. The audit shall be made in accordance with generally
21 accepted auditing standards.

22 (35 ILCS 200/27-120 new)

23 Sec. 27-120. Exclusion of erroneously included property.

1 If a property is determined by the corporate authorities of the
2 municipality to be erroneously included in a special service
3 area, the corporate authorities of the municipality may
4 disconnect that property from the special service area solely
5 by municipal action without regard to Section 27-60 or Section
6 27-65 of this Act. This Section applies only to special service
7 areas that (i) are located in whole or in part within a transit
8 facility improvement area, as defined in Section 11-74.4-3.3 of
9 the Illinois Municipal Code, and (ii) have experienced a
10 decrease in the number of privately-owned businesses within the
11 special service area since the special service area was
12 established.

13 (35 ILCS 200/27-125 new)

14 Sec. 27-125. Administrative fees. In municipalities with
15 1,000,000 or more inhabitants, notwithstanding any other
16 provision of law, an annual administrative fee may be charged
17 for the administration of a special service area. Such annual
18 administrative fee may be derived from the annual tax levy for
19 each special service area. Any amount recommended by a special
20 service area commission and approved as an administrative
21 expense which may be paid to the service provider agency
22 pursuant to the budget included in a services contract shall
23 not exceed 30% of the annual tax levy for the special service
24 area that is the subject of such services contract and is
25 separate from any municipal administrative fee.