



Rep. Sara Feigenholtz

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LRB099 04279 HLH 51583 a

1 AMENDMENT TO HOUSE BILL 1384

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1384 by replacing  
3 everything after the enacting clause with the following:

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

1 service area.

2 "Special Service Area" means a contiguous area within a  
3 municipality or county in which special governmental services  
4 are provided in addition to those services provided generally  
5 throughout the municipality or county, the cost of the special  
6 services to be paid from revenues collected from taxes levied  
7 or imposed upon property within that area. Territory shall be  
8 considered contiguous for purposes of this Article even though  
9 certain completely surrounded portions of the territory are  
10 excluded from the special service area. A county may create a  
11 special service area within a municipality or municipalities  
12 when the municipality or municipalities consent to the creation  
13 of the special service area. A municipality may create a  
14 special service area within a municipality and the  
15 unincorporated area of a county or within another municipality  
16 when the county or other municipality consents to the creation  
17 of the special service area.

18 "Special service area commission" means a local board  
19 established by the corporate authorities of a municipality or  
20 county for the purpose of managing a particular special service  
21 area.

22 "Special Services" means all forms of services pertaining  
23 to the government and affairs of the municipality or county,  
24 including but not limited to weather modification and  
25 improvements permissible under Article 9 of the Illinois  
26 Municipal Code, and contracts for the supply of water as

1 described in Section 11-124-1 of the Illinois Municipal Code  
2 which may be entered into by the municipality or by the county  
3 on behalf of a county service area.

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

5 (35 ILCS 200/27-25)

6 Sec. 27-25. Form of hearing notice. Taxes may be levied or  
7 imposed by the municipality or county in the special service  
8 area at a rate or amount of tax sufficient to produce revenues  
9 required to provide the special services. Prior to the first  
10 levy of taxes in the special service area, notice shall be  
11 given and a hearing shall be held under the provisions of  
12 Sections 27-30 and 27-35. For purposes of this Section the  
13 notice shall include:

14 (a) The time and place of hearing;

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

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

19 (d) The nature of the proposed special services to be  
20 provided within the special service area and a statement as  
21 to whether the proposed special services are for new  
22 construction, maintenance, or other purposes;

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

1 (e) A notification that all interested persons,  
2 including all persons owning taxable real property located  
3 within the special service area, will be given an  
4 opportunity to be heard at the hearing regarding the tax  
5 levy and an opportunity to file objections to the amount of  
6 the tax levy if the tax is a tax upon property; ~~and~~

7 (f) The maximum rate of taxes to be extended within the  
8 special service area in any year and the maximum number of  
9 years taxes will be levied if a maximum number of years is  
10 to be established; and -

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

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

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

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

2       (a) Notwithstanding any other provision of law, no member  
3 of a special service area commission may be an executive  
4 officer, owner, or member of the board of directors of the  
5 service provider agency selected for a services contract for  
6 that special service area.

7       (b) Notwithstanding any other provision of law, no business  
8 owned by a member of a special service area commission may, for  
9 valuable consideration, provide goods or services as a  
10 subcontractor of a service provider agency pursuant to a  
11 services contract for the special service area that is the  
12 subject of that special service area commission. No business  
13 owned by an employee or elected official of a municipality may,  
14 for valuable consideration, provide goods or services as a  
15 subcontractor of a service provider agency pursuant to a  
16 services contract for any special service area located within  
17 that municipality.

18       (c) At least one membership position for a special service  
19 area commission in a special service area which contains one or  
20 more homestead properties, as defined in Section 15-175, shall  
21 be reserved as a first priority membership position for any  
22 owner of homestead property located within such special service  
23 area.

24       (d) This Section applies only in municipalities with  
25 1,000,000 or more inhabitants.

1 (35 ILCS 200/27-105 new)

2 Sec. 27-105. Lines of credit. In municipalities with  
3 1,000,000 or more inhabitants, special service area  
4 commissions may not establish a loan or line of credit in  
5 connection with the special service area. Service provider  
6 agencies in those municipalities may establish a loan or line  
7 of credit in connection with the special service area; however,  
8 financing under this Section may not be secured by future tax  
9 revenue generated by the special service area.

10 (35 ILCS 200/27-110 new)

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

21 (35 ILCS 200/27-115 new)

22 Sec. 27-115. Special service area audits. In  
23 municipalities with 1,000,000 or more inhabitants, each  
24 special service area commission shall cause an audit of the

1 funds and accounts of the special service area to be submitted  
2 to the corporate authorities of the municipality at least  
3 annually. The audit shall be made in accordance with generally  
4 accepted auditing standards.

5 (35 ILCS 200/27-120 new)

6 Sec. 27-120. Exclusion of erroneously included property.  
7 If a property is determined by the corporate authorities of the  
8 municipality to be erroneously included in a special service  
9 area, the corporate authorities of the municipality may  
10 disconnect that property from the special service area solely  
11 by municipal action without regard to Section 27-60 or Section  
12 27-65 of this Act. This Section applies only to special service  
13 areas that (i) are located in whole or in part within a transit  
14 facility improvement area, as defined in Section 11-74.4-3.3 of  
15 the Illinois Municipal Code, and (ii) have experienced a  
16 decrease in the number of privately-owned businesses within the  
17 special service area since the special service area was  
18 established.

19 (35 ILCS 200/27-125 new)

20 Sec. 27-125. Administrative fees. In municipalities with  
21 1,000,000 or more inhabitants, notwithstanding any other  
22 provision of law, an annual administrative fee may be charged  
23 for the administration of a special service area. Such annual  
24 administrative fee may be derived from the annual tax levy for

1 each special service area. Any amount recommended by a special  
2 service area commission and approved as an administrative  
3 expense which may be paid to the service provider agency  
4 pursuant to the budget included in a services contract shall  
5 not exceed 30% of the annual tax levy for the special service  
6 area that is the subject of such services contract and is  
7 separate from any municipal administrative fee."