

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 (35 ILCS 200/27-105 new)

18 Sec. 27-105. Lines of credit. Special service area  
19 commissions may not establish a loan or line of credit in  
20 connection with the special service area. Service provider  
21 agencies in those municipalities may establish a loan or line  
22 of credit in connection with the special service area; however,  
23 financing under this Section may not be secured by future tax  
24 revenue generated by the special service area.

1 (35 ILCS 200/27-110 new)

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

11 (35 ILCS 200/27-115 new)

12 Sec. 27-115. Special service area audits. Each special  
13 service area commission shall cause an audit of the funds and  
14 accounts of the special service area to be submitted to the  
15 corporate authorities of the municipality at least annually.  
16 The audit shall be made in accordance with generally accepted  
17 auditing standards.

18 (35 ILCS 200/27-120 new)

19 Sec. 27-120. Exclusion of erroneously included property.  
20 If a property is determined by the corporate authorities of the  
21 municipality to be erroneously included in a special service  
22 area, the corporate authorities of the municipality may  
23 disconnect that property from the special service area solely  
24 by municipal action without regard to Section 27-60 or Section

1 27-65 of this Act.

2 (35 ILCS 200/27-125 new)

3 Sec. 27-125. Administrative fees. Notwithstanding any  
4 other provision of law, an annual administrative fee may be  
5 charged for the administration of a special service area. Such  
6 annual administrative fee may be derived from the annual tax  
7 levy for each special service area. Any amount recommended by a  
8 special service area commission and approved as an  
9 administrative expense which may be paid to the service  
10 provider agency pursuant to the budget included in a services  
11 contract shall not exceed 30% of the annual tax levy for the  
12 special service area that is the subject of such services  
13 contract and is separate from any municipal administrative fee.

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