

**93RD GENERAL ASSEMBLY****State of Illinois****2003 and 2004**

Introduced 02/04/04, by Arthur L. Turner, Robert S. Molaro,
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SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.3-3 from Ch. 24, par. 11-74.3-3
65 ILCS 5/11-74.3-5 new
65 ILCS 5/11-74.3-6 new

Amends the Illinois Municipal Code. Authorizes a municipality carrying out a business district development or redevelopment plan to impose a tax on the retail sale of tangible personal property and the sale or charge for a sleeping room, not to exceed 1% of the selling price of the tangible personal property or the charge for the sleeping room and only to be imposed in 0.25% increments. Requires a municipality imposing these taxes to follow certain additional procedures in applying for designation as a business district and approval of a business district development or redevelopment plan. Requires that the revenue generated by the tax be deposited into the municipality's Business District Tax Allocation Fund. Authorizes a municipality to issue obligations in one or more series bearing interest at rates determined by the corporate authorities of the municipality by ordinance and secured by the Business District Tax Allocation Fund. Requires the ordinance (i) to pledge any amounts in and to be deposited into the Business District Tax Allocation Fund for the payment of business district costs and obligations and (ii) to contain certain recitals. Authorizes the public or private sale of the obligations and the issuance of obligations to refunded previously issued obligations. Upon payment of all business district costs, requires all surplus funds to be deposited into the general corporate fund. Requires the corporate authorities of the municipality to adopt an ordinance immediately rescinding the tax when all business district costs and obligations have been paid. Effective immediately.

LRB093 19188 MKM 44923 b

1 AN ACT concerning municipalities.

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 11-74.3-3 and by adding Sections 11-74.3-5 and
6 11-74.3-6 as follows:

7 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

8 Sec. 11-74.3-3. In carrying out a business district
9 development or redevelopment plan, the corporate authorities
10 of each municipality shall have the following powers:

11 (1) To approve all development and redevelopment
12 proposals for a business district.

13 (2) To exercise the use of eminent domain for the
14 acquisition of real and personal property for the purpose
15 of a development or redevelopment project.

16 (3) To acquire, manage, convey or otherwise dispose of
17 real and personal property according to the provisions of a
18 development or redevelopment plan.

19 (4) To apply for and accept capital grants and loans
20 from the United States and the State of Illinois, or any
21 instrumentality of the United States or the State, for
22 business district development and redevelopment.

23 (5) To borrow funds as it may be deemed necessary for
24 the purpose of business district development and
25 redevelopment, and in this connection issue such
26 obligation or revenue bonds as it shall be deemed
27 necessary, subject to applicable statutory limitations.

28 (6) To enter into contracts with any public or private
29 agency or person.

30 (7) To sell, lease, trade or improve real property in
31 connection with business district development and
32 redevelopment plans.

1 (8) To employ all such persons as may be necessary for
2 the planning, administration and implementation of
3 business district plans.

4 (9) To expend such public funds as may be necessary for
5 the planning, execution and implementation of the business
6 district plans.

7 (10) To establish by ordinance or resolution
8 procedures for the planning, execution and implementation
9 of business district plans.

10 (11) To create a Business District Development and
11 Redevelopment Commission to act as agent for the
12 municipality for the purposes of business district
13 development and redevelopment.

14 (12) To impose a tax on the retail sale of tangible
15 personal property and the sale or charge for a sleeping
16 room paid by a transient guest of a hotel or motel, based
17 on the selling price or charge, not to exceed 1% of the
18 selling price of the tangible personal property or the
19 charge for the sleeping room and to be imposed only in
20 0.25% increments, within a business district, for the
21 planning, execution, and implementation of business
22 district plans and to pay for business district project
23 costs as set forth in the business district plan approved
24 by the municipality.

25 (13) To issue obligations in one or more series bearing
26 interest at rates determined by the corporate authorities
27 of the municipality by ordinance and secured by the
28 business district tax allocation fund set forth in Section
29 11-74.3-6 for the business district to provide for the
30 payment of business district project costs.

31 This amendatory Act of the 91st General Assembly is
32 declarative of existing law and is not a new enactment.

33 (Source: P.A. 91-418, eff. 1-1-00.)

34 (65 ILCS 5/11-74.3-5 new)

35 Sec. 11-74.3-5. Business district; additional procedures

1 for designation of district and approval of development or
2 redevelopment plan. If the corporate authorities of a
3 municipality desire to impose a tax by ordinance pursuant to
4 subsection (12) of Section 11-74.3-3, the following additional
5 procedures shall apply to the designation of the business
6 district and the approval of the business district development
7 or redevelopment plan:

8 (1) The corporate authorities of the municipality
9 shall hold public hearings at least one week prior to
10 designation of the business district and approval of the
11 business district development or redevelopment plan.

12 (2) The area proposed to be designated as tourist
13 district must be contiguous and must include only parcels
14 of real property directly and substantially benefited by
15 the proposed business district development or
16 redevelopment plan.

17 (3) The proposed business district development or
18 redevelopment plan shall set forth in writing: (i) a
19 specific description of the proposed boundaries of the
20 district, including a map illustrating the boundaries;
21 (ii) a general description of each project proposed to be
22 undertaken within the business district, including a
23 description of the approximate location of each project;
24 (iii) the name of the proposed business district; (iv) the
25 estimated business district project costs; (v) the
26 anticipated source of funds to pay business district
27 project costs; (vi) the anticipated type and terms of any
28 obligations to be issued; and (vii) the rate of any tax to
29 be imposed pursuant to subsection (12) of Section 11-74.3-3
30 and the period of time for which the tax shall be imposed.

31 (65 ILCS 5/11-74.3-6 new)

32 Sec. 11-74.3-6. Business district revenue and obligations.

33 (a) If the corporate authorities of a municipality have
34 approved a business district development or redevelopment plan
35 and have elected to impose a tax by ordinance pursuant to

1 subsection (12) of Section 11-74.3-3, each year after the date
2 of the approval of the ordinance and until all business
3 district project costs and all municipal obligations financing
4 the business district project costs, if any, have been paid in
5 accordance with the business district development or
6 redevelopment plan, but in no event longer than 23 years after
7 the date of adoption of the ordinance approving the business
8 district development or redevelopment plan, all amounts
9 generated by the tax shall be collected and the tax shall be
10 enforced by the Department of Revenue in the same manner as all
11 retailers' occupation taxes imposed upon persons engaged in the
12 business of selling tangible personal property at retail in the
13 municipality imposing the tax. The corporate authorities of the
14 municipality shall deposit the proceeds of the tax into a
15 special fund called the Business District Tax Allocation Fund
16 for the purpose of paying business district project costs and
17 obligations incurred in the payment of those costs and
18 obligations.

19 (b) Obligations issued pursuant to subsection (13) of
20 Section 11-74.3-3 shall be retired in the manner provided in
21 the ordinance authorizing the issuance of those obligations by
22 the receipts of taxes levied as specified in subsection (12) of
23 Section 11-74.3-3 against the retail sale of tangible personal
24 property in the business district. The ordinance shall pledge
25 all of the amounts in and to be deposited in the Business
26 District Tax Allocation Fund to the payment of business
27 district project costs and obligations. Obligations issued
28 pursuant to subsection (13) Section 11-74.3-3 may be sold at
29 public or private sale at a price determined by the corporate
30 authorities of the municipality and no referendum approval of
31 the electors shall be required as a condition to the issuance
32 of those obligations. The ordinance authorizing the
33 obligations may require that the obligations contain a recital
34 that they are issued pursuant to subsection (13) of Section
35 11-74.3-3 and this recital shall be conclusive evidence of
36 their validity and of the regularity of their issuance. The

1 corporate authorities of the municipality may also issue its
2 obligations to refund, in whole or in part, obligations
3 previously issued by the municipality under the authority of
4 this Code, whether at or prior to maturity. All obligations
5 issued pursuant to subsection (13) of Section 11-74.3-3 shall
6 not be regarded as indebtedness of the municipality issuing the
7 obligations for the purpose of any limitation imposed by law.

8 (c) When business district costs, including, without
9 limitation, all municipal obligations financing business
10 district project costs incurred under Section 11-74.3-3 have
11 been paid, any surplus funds then remaining in the Business
12 District Tax Allocation Fund shall be distributed to the
13 municipal treasurer for deposit into the municipal general
14 corporate fund. Upon payment of all business district project
15 costs and retirement of obligations, but in no event more than
16 23 years after the date of adoption of the ordinance approving
17 the business district development or redevelopment plan, the
18 municipality shall adopt an ordinance immediately rescinding
19 the tax imposed pursuant to subsection (12) of Section
20 11-74.3-3.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.