



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/05/04, by Joseph M. Lyons

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 200/18-167 new

Creates the Banking Development District Act. Provides for the establishment of banking offices and services in underserved locations. Requires the Office of Banks and Real Estate to consult with the Department of Financial Institutions and the Department of Commerce and Economic Opportunity to adopt rules in accordance with the Administrative Procedure Act. Sets forth criteria for the establishment of banking development districts. Amends the Property Tax Code. Creates a new Section concerning the abatement of taxes in a banking district. Effective immediately.

LRB093 18471 SAS 44185 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning financial regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Banking Development District Act.

6 Section 5. Banking development district program. There is
7 hereby created a banking development district program, the
8 purpose of which is to encourage the establishment of banking
9 offices in geographic locations where there is the greatest
10 need for banking services. The Office of Banks and Real Estate
11 shall, in consultation with the Department of Financial
12 Institutions and the Department of Commerce and Economic
13 Opportunity, adopt rules in accordance with the Administrative
14 Procedure Act that set forth the criteria for the establishment
15 of banking development districts. The criteria shall include,
16 but not be limited to, the following:

17 (1) the location, number, and proximity of sites where
18 banking services are available within the district;

19 (2) the identification of consumer needs for banking
20 services within the district;

21 (3) the economic viability and local credit needs of
22 the community within the district;

23 (4) the existing commercial development within the
24 district;

25 (5) the impact additional banking services would have
26 on potential economic development in the district; and

27 (6) any other criteria that the Office of Banks and
28 Real Estate deems appropriate.

29 Section 10. Definitions. As used in this Act:

30 "Bank" means a state bank, national bank, savings bank,
31 federal savings bank, savings and loan association, federal

1 savings and loan association, credit union, or trust company.

2 "Banking office" means the main banking premises or a
3 branch of a bank.

4 "Commissioner" means the Commissioner of Banks and Real
5 Estate.

6 "Improvement" does not include ordinary maintenance and
7 repairs.

8 "Local government" means a county if the proposed bank is
9 in an unincorporated area or a municipality if the proposed
10 bank is in an incorporated area.

11 Section 15. Application. The governing board of a local
12 government, in conjunction with a bank, may submit an
13 application to the Commissioner for the designation of a
14 banking development district. The boundaries of the proposed
15 banking development district shall include property on which
16 the bank plans to make improvements to establish a banking
17 office. The application shall include the legal description of
18 the property to be designated.

19 The Commissioner shall issue a determination on the
20 application within 60 days after receiving the application. If
21 an application is approved, the Commissioner shall transmit
22 notification of the approval and a copy of all application
23 materials to the applicants, the Director of the Department of
24 Financial Institutions, the Director of the Department of
25 Commerce and Economic Opportunities, the Governor, the State
26 Comptroller, the President of the Senate, the Speaker of the
27 House of Representatives, and the clerk of the county in which
28 the property is located.

29 Section 20. Existing facilities. Notwithstanding any other
30 provision of law, an application may be submitted by a local
31 government in conjunction with a bank that has already opened a
32 banking office within the area of the proposed district. In
33 considering the criteria authorized under Section 5, the
34 Commissioner must also take into account the importance and

1 benefits of preserving the banking services offered by the
2 existing banking offices.

3 Section 25. Abatement under the Property Tax Code. Upon
4 designation of the banking development district by the
5 Commissioner, the property of a bank located within a banking
6 development district may be eligible for a tax abatement under
7 Section 18-167 of the Property Tax Code.

8 Section 905. The Property Tax Code is amended by adding
9 Section 18-167 as follows:

10 (35 ILCS 200/18-167 new)

11 Sec. 18-167. Abatement of taxes in a banking district.

12 (a) Definitions. For purposes of this Section, "bank" and
13 "banking office" shall have the meanings prescribed to them in
14 Section 10 of the Banking Development District Act.

15 (b) Any taxing district, upon a majority vote of its
16 governing authority, may, after the determination of the
17 assessed valuation of its property, adopt an ordinance or
18 resolution ordering the clerk of the county or counties in
19 which the taxing district is located to abate a portion of the
20 taxing district's taxes on property of a bank that is used as a
21 banking office in an area designated as a banking development
22 district under the Banking Development District Act. Before
23 ordering the abatement, the taxing district must hold a public
24 hearing regarding the proposed abatement.

25 (i) The base amount of the abatement shall be the taxes
26 arising from the new improvements or the renovation or
27 rehabilitation of existing improvements since the
28 designation of the banking development district, based on
29 the equalized assessed value attributable to the new
30 improvements or the renovation or rehabilitation of
31 existing improvements for the first year they were
32 addressed as completed as of January 1 of that tax year.
33 Taxes attributable to increases in assessment due to

1 ordinary maintenance and repair shall not be abated under
2 this Section.

3 A copy of an abatement order adopted under this Section
4 shall be delivered to the county clerk and to the board of
5 review not later than July 1 of the assessment year to be
6 first affected by the order. If it is delivered on or after
7 that date, it will first affect the taxes extended on the
8 assessment of the following year. The board of review
9 shall, in the first year of the abatement, notify the bank
10 to be affected and the taxing district granting the
11 abatement of the list of parcels affected by an abatement
12 under this Section and the assessed value attributable to
13 the new improvements or the renovation or rehabilitation of
14 existing improvements for the first year they were assessed
15 as completed as of January 1 of that tax year. The affected
16 bank or taxing district may file a complaint regarding the
17 list of parcels and computation within 15 days after the
18 mailing of the notification, and shall be given an
19 opportunity to be heard. The board of review shall, in the
20 first year of the abatement, upon delivering the assessment
21 books to the county clerk, also deliver a list of parcels
22 affected by an abatement under this Section and the
23 assessed value attributable to new improvements or to the
24 renovation or rehabilitation of existing improvements for
25 the first year they were assessed as completed as of
26 January 1 of that tax year.

27 The county clerk shall abate the base amount as
28 follows:

<u>YEAR OF</u> <u>ABATEMENT</u>	<u>PERCENTAGE OF BASE</u> <u>AMOUNT ABATED</u>
<u>1</u>	<u>50%</u>
<u>2</u>	<u>45%</u>
<u>3</u>	<u>40%</u>
<u>4</u>	<u>35%</u>
<u>5</u>	<u>30%</u>
<u>6</u>	<u>25%</u>

1	<u>7</u>	<u>20%</u>
2	<u>8</u>	<u>15%</u>
3	<u>9</u>	<u>10%</u>
4	<u>10</u>	<u>5%</u>

5 (ii) The governing authority of a taxing district may
6 abate the property taxes on a banking office that was
7 already in existence when the banking development district
8 was created under the Banking Development District Act. The
9 county clerk shall abate the taxes in an amount that shall
10 be determined by the governing authority of the taxing
11 district. The abatement shall not exceed a period of 10
12 years in duration and 50% of the taxes attributable to the
13 improvements in amount.

14 (c) If property approved for an abatement under this
15 Section ceases to be used as a banking office, that property is
16 no longer eligible for abatement of taxes. If an abatement is
17 discontinued under this Section, the taxing district shall
18 notify the county clerk of the discontinuation in writing no
19 later than July 1 of the assessment year to be first affected
20 by the change. If an abatement of taxes is again allowed under
21 this Section for the same property, the property shall be
22 eligible for only that portion of the abatement not already
23 used.

24 Section 999. Effective date. This Act takes effect upon
25 becoming law.