



Rep. Naomi D. Jakobsson

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1 AMENDMENT TO HOUSE BILL 3637

2 AMENDMENT NO. _____. Amend House Bill 3637 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act shall be known and may be
5 cited as the Economic Development Area Tax Increment Allocation
6 Act of 2005.

7 Section 5. Legislative declaration of public purpose. The
8 General Assembly hereby finds, determines and declares that:

9 (a) cooperation between State universities and local
10 communities in planning public and private development
11 activities is important to capitalize on the research,
12 technology transfer and other activities of universities in
13 order to provide employment opportunities to graduates of post
14 secondary educational institutions and to foster economic
15 growth of the State and local communities;

16 (b) the loss of job opportunities for the residents of the
17 State is a serious menace to the health, safety, morals and
18 general welfare of the people of the entire State;

19 (c) a vigorous, growing economy is the basic source of job
20 opportunities;

21 (d) planned commercial, industrial, manufacturing and
22 research and technology facilities must be made accessible to
23 the places of residence of substantial numbers of unemployed
24 persons, and the construction of residential facilities

1 provides job opportunities in the construction industry;

2 (e) protection against the economic burdens associated
3 with the loss of job opportunities, the consequent spread of
4 economic stagnation and the resulting harm to the tax base of
5 the State can best be provided by promoting, attracting,
6 stimulating, retaining and revitalizing commerce, industry,
7 manufacturing, residential housing and research and technology
8 within the State;

9 (f) the continual encouragement, development, growth and
10 expansion of commercial, industrial, manufacturing,
11 residential housing and research and technology facilities
12 within the State requires a cooperative and continuous
13 partnership between government and the private sector;

14 (g) the State has a responsibility to help create a
15 favorable climate for the increased application and
16 development of technology and new and improved job
17 opportunities for its citizens and to increase the tax base of
18 the State and its political subdivisions by encouraging the
19 development by the private sector of new commercial,
20 industrial, manufacturing, residential housing and research
21 and technology facilities and the retention of existing
22 commercial, industrial, manufacturing, residential housing and
23 research and technology facilities within the State;

24 (h) loss of job opportunities within the State has
25 persisted despite efforts of State and local authorities and
26 private organizations to attract new commercial, industrial,
27 manufacturing, residential housing and research and technology
28 facilities to the State and to retain existing commercial,
29 industrial, manufacturing, residential housing and research
30 and technology facilities within the State;

31 (i) persistent loss of job opportunities in the State may
32 continue and worsen if the State and its political subdivisions
33 are not able to provide additional incentives to commercial,
34 industrial, manufacturing, residential housing and research

1 and technology facilities to locate or to remain in the State;
2 and

3 (j) the provision of additional incentives by the State and
4 its political subdivisions is intended to promote cooperation
5 between the State and local communities in planning public and
6 private development in order to create new employment
7 opportunities, relieve conditions of unemployment, maintain
8 existing levels of employment, retain jobs within the State,
9 increase industry and commerce within the State, thereby
10 creating job opportunities for the residents of the State and
11 reducing the evils attendant upon unemployment, and increase
12 the tax base of the State and its political subdivisions.

13 It is hereby declared to be the policy of the State, in the
14 interest of promoting the health, safety, morals and general
15 welfare of all the people of the State, to provide incentives
16 that will create new job opportunities retain jobs and retain
17 and expand existing commercial, industrial, manufacturing,
18 residential housing and research and technology facilities
19 within the State, and it is further determined and declared
20 that the creation of new job opportunities, the relief of
21 conditions of unemployment, the maintenance of existing levels
22 of employment, the retention of existing commercial,
23 industrial, manufacturing, residential housing and research
24 and technology facilities within the State, the increase of
25 commerce, industry, manufacturing, residential housing and
26 research and technology within the State, the reduction of the
27 evils attendant upon unemployment, and the increase of the tax
28 base of the State and its political subdivisions are public
29 purposes and for the public safety, benefit, and welfare of the
30 residents of this State.

31 Section 10. Definitions. In this Act, words or terms have
32 the following meanings:

33 (a) "Assisted housing units" means new residential housing

1 units located within the economic development project area for
2 which the developer or other person receives financial
3 assistance through an agreement with the municipality or
4 because the municipality incurs the cost of necessary
5 infrastructure improvements within the boundaries of the
6 economic development project area necessary for the completion
7 of that housing authorized by this Act, and which costs shall
8 be paid by the municipality from the Special Tax Allocation
9 Fund when such tax increment revenue is received.

10 (b) "Economic development plan" means the written plan of a
11 municipality that sets forth an economic development program
12 for an economic development project area. Each economic
13 development plan shall include but not be limited to (1) an
14 itemized list of estimated economic development project costs,
15 (2) the sources of funds to pay those costs, (3) the nature and
16 term of any obligations to be issued to pay those costs, (4)
17 the most recent equalized assessed valuation of the economic
18 development project area, (5) an estimate of the equalized
19 assessed valuation of the economic development project area
20 after completion of an economic development project, (6) the
21 estimated date of completion of any economic development
22 project proposed to be undertaken, (7) a general description of
23 the types of any proposed developers, users or tenants of any
24 property to be located or improved within the economic
25 development project area, (8) a description of the type,
26 structure and general character of the facilities to be
27 developed or improved in the economic development project area,
28 (9) a description of the general land uses to apply in the
29 economic development project area, (10) a general description
30 or an estimate of the type, class and number of employees to be
31 employed in the operation of the facilities to be developed or
32 improved in the economic development project area, (11) a
33 commitment by the municipality to fair employment practices and
34 an affirmative action plan regarding any economic development

1 program to be undertaken by the municipality, and (12) if
2 property is to be annexed to the municipality, the terms of the
3 annexation agreement.

4 (c) "Economic development project" means any development
5 project furthering the objectives of this Act.

6 (d) "Economic development project area" means any improved
7 area or vacant area that (1) is located within, contiguous to,
8 or within three miles of a boundary of, a medical research and
9 high technology park as defined in 110 ILCS 305/7(a) or similar
10 statutory provision, established by the board of trustees of a
11 State university, (2) is located entirely within a municipality
12 that is a home rule unit of government within the meaning of
13 Section 6 of Article VII, of the Illinois Constitution, which
14 municipality is contiguous to another home rule municipality
15 and which municipalities are located within a county with a
16 population of less than 400,000, (3) is suitable for siting
17 facilities for research, commerce, manufacturing, industry,
18 transportation, recreation, government or residential housing
19 and to include, but not be limited to, educational facilities,
20 research facilities, medical facilities, incubator building,
21 agricultural research facilities, child care facilities,
22 athletic facilities, recreational facilities, retirement
23 facilities, commercial businesses, offices, convention
24 centers, hotels, public buildings, offices or professional
25 service facilities, test facilities, transportation
26 facilities, single or multi family residential housing units or
27 businesses and services supporting medical research and
28 technology activities, regardless of whether or not the area
29 has been used at any time for the facilities and whether or not
30 the area has been used or is suitable for other uses, including
31 commercial agricultural purposes, and (4) which has been
32 established by the corporate authorities of the municipality
33 under this Act.

34 (e) "Economic development project costs" means and

1 includes the total of all reasonable or necessary costs
2 incurred or to be incurred in connection with an economic
3 development project, including, without limitation, the
4 following:

5 (1) Costs of studies, surveys, development of plans and
6 specifications, implementation and administration of an
7 economic development plan, and personnel and professional
8 service costs for architectural, engineering, legal,
9 marketing, financial, planning, police, fire, public
10 works, public utility or other services. No charges for
11 personnel and professional services, however, shall (x) be
12 based on a percentage of incremental tax revenues; derived
13 from the economic development project area, (y) include
14 general administrative or overhead costs of the
15 municipality that would have been incurred by the
16 municipality if the municipality had not established the
17 economic development project area, or (z) be paid pursuant
18 to any professional service contract with a term extending
19 beyond a period of 3 years.

20 (2) Property assembly costs within an economic
21 development project area, including but not limited to
22 acquisition of land and other real or personal property or
23 rights or interests in property, and specifically
24 including payments to developers or other persons as
25 reimbursement for such costs incurred by such developer or
26 person.

27 (3) Site preparation costs, including but not limited
28 to clearance of any area within an economic development
29 project area by demolition or removal of any existing
30 buildings, structures, fixtures, utilities, and
31 improvements and clearing and grading; and including
32 installation, repair, construction, reconstruction,
33 extension or relocation of public streets, public
34 utilities, and other public site improvements located

1 outside the boundaries of an economic development project
2 area that are essential to the preparation of the economic
3 development project area for use pursuant to an economic
4 development plan, and specifically including payments to
5 developers or other persons as reimbursement for such costs
6 incurred by such developer or person.

7 (4) Costs of renovation, rehabilitation,
8 reconstruction, relocation, repair or remodeling of any
9 existing buildings, improvements, equipment and fixtures
10 within an economic development project area, and
11 specifically including payments to developers or other
12 persons as reimbursement for such costs incurred by such
13 developer or nongovernmental person.

14 (5) Costs of installation or construction within an
15 economic development project area of any buildings,
16 structures, works, streets, improvements, equipment,
17 utilities or fixtures which constitute, or are convenient
18 or necessary for, an economic development project, whether
19 publicly or privately owned or operated, and specifically
20 including payments to developers or other persons as
21 reimbursement for such costs incurred by such developer or
22 person, provided, however, that economic development
23 project costs shall not include the cost of a new municipal
24 public building principally used to provide offices,
25 storage space or conference facilities or vehicle storage,
26 maintenance or repair for administrative, public safety or
27 public works personnel unless the municipality makes a
28 reasonable determination in the economic development plan,
29 supported by information that provides the basis for its
30 determination, that such new municipal building is
31 required to meet an increase in the need for public safety
32 anticipated to result from the implementation of the
33 economic development plan.

34 (6) Financing costs, including but not limited to all

1 necessary and incidental expenses related to the issuance
2 of obligations, payment of any interest on any obligations
3 issued under this Act that accrues during the estimated
4 period of construction of any economic development project
5 for which the obligations are issued and for not more than
6 36 months after that period, and any reasonable reserves
7 related to the issuance of the obligations.

8 (7) All or a portion of a taxing district's capital or
9 operating costs resulting from an economic development
10 project necessarily incurred or estimated to be incurred by
11 a taxing district in the furtherance of the objectives of
12 an economic development project, to the extent that the
13 municipality, by written agreement, accepts and approves
14 those costs. An elementary, secondary or unit school
15 district's increased capital or operating costs
16 attributable to assisted housing units shall be calculated
17 annually as follows:

18 (A) for foundation districts, by multiplying the
19 district's increase in attendance resulting from the
20 net increase in new students enrolled in that school
21 district who reside in assisted housing units since the
22 designation of the economic development project area
23 by the most recently available per capita tuition cost
24 as defined in Section 10-20.12a of the School Code less
25 any increase in general State aid as defined in Section
26 18-8.05 of the School Code attributable to these added
27 new students subject to the following annual
28 limitations:

29 (i) for unit school districts with a district
30 average 1995-96 Per Capita Tuition Charge of less
31 than \$5,900, no more than 25% of the total amount
32 of property tax increment revenue produced by
33 those assisted housing units;

34 (ii) for elementary school districts with a

1 district average 1995-96 Per Capita Tuition Charge
2 of less than \$5,900, no more than 17% of the total
3 amount of property tax increment revenue produced
4 by those assisted housing units; and

5 (iii) for secondary school districts with a
6 district average 1995-96 Per Capita Tuition Charge
7 of less than \$5,900, no more than 8% of the total
8 amount of property tax increment revenue produced
9 by those assisted housing units.

10 (B) For alternate method districts, flat grant
11 districts, and foundation districts with a district
12 average 1995-96 Per Capita Tuition Charge equal to or
13 more than \$5,900 by multiplying the district's
14 increase in attendance resulting from the net increase
15 in new students enrolled in that school district who
16 reside in assisted housing units since the designation
17 of the economic development project area by the most
18 recently available per capita tuition cost as defined
19 in Section 10-20.12a of the School Code less any
20 increase in general state aid as defined in Section
21 18-8.05 of the School Code attributable to these added
22 new students subject to the following annual
23 limitations:

24 (i) for unit school districts, no more than 40%
25 of the total amount of property tax increment
26 revenue produced by those assisted housing units;

27 (ii) for elementary school districts, no more
28 than 27% of the total amount of property tax
29 increment revenue produced by those assisted
30 housing units; and

31 (iii) for secondary school districts, no more
32 than 13% of the total amount of property tax
33 increment revenue produced by those assisted
34 housing units.

1 Any school district seeking payment under this
2 paragraph shall, after July 1 and before September 30 of
3 each year, provide the municipality with reasonable
4 evidence to support its claim for reimbursement before the
5 municipality shall be required to approve or make the
6 payment to the school district. If the school district
7 fails to provide the information during this period in any
8 year, it shall forfeit any claim to reimbursement for that
9 year. School districts may adopt a resolution waiving the
10 right to all or a portion of the reimbursement otherwise
11 required by this paragraph. By acceptance of this
12 reimbursement the school district waives the right to
13 directly or indirectly set aside, modify, or contest in any
14 manner the establishment of the redevelopment project area
15 or projects.

16 (9) Relocation costs to the extent that a municipality
17 determines that relocation costs shall be paid or is
18 required to pay relocation costs by federal or State law.

19 (10) The estimated tax revenues from real property in
20 an economic development project area acquired by a
21 municipality which, according to the economic development
22 plan, is to be used for a private use and which any taxing
23 district would have received had the municipality not
24 adopted tax increment allocation financing for an economic
25 development project area and which would result from such
26 taxing district's levies made after the time of the
27 adoption by the municipality of tax increment allocation
28 financing to the time the current equalized assessed value
29 of real property in the economic development project area
30 exceeds the total initial equalized value of real property
31 in said area.

32 (11) Costs of rebating ad valorem taxes paid by any
33 developer or other person in whose name the general taxes
34 were paid for the last preceding year on any lot, block,

1 tract or parcel of land in the economic development project
2 area, provided that:

3 (A) the economic development project area is
4 located in an enterprise zone created under the
5 Illinois Enterprise Zone Act;

6 (B) the ad valorem taxes shall be rebated only in
7 amounts and for a tax year or years as the municipality
8 and any one or more affected taxing districts have
9 agreed by prior written agreement;

10 (C) any amount of rebate of taxes shall not exceed
11 the portion, if any, of taxes levied by the
12 municipality or taxing district or districts that is
13 attributable to the increase in the current equalized
14 assessed valuation of each taxable lot, block, tract or
15 parcel of real property in the economic development
16 project area over and above the initial equalized
17 assessed value of each property existing at the time
18 property tax allocation financing was adopted for the
19 economic development project area; and

20 (D) costs of rebating ad valorem taxes shall be
21 paid by a municipality solely from the special tax
22 allocation fund established under this Act and shall
23 not be paid from the proceeds of any obligations issued
24 by a municipality.

25 (12) Costs of job training, retraining, advanced
26 vocational education or career education, including but
27 not limited to courses in occupational, semi technical or
28 technical fields leading directly to employment, incurred
29 by one or more taxing districts, and including costs of
30 "welfare to work" programs implemented by businesses,
31 provided that such costs (i) are related to the
32 establishment and maintenance of additional job training,
33 advanced vocational education or career education programs
34 for persons employed or to be employed by employers located

1 in the economic development project area and (ii) when
2 incurred by a taxing district or taxing districts other
3 than a municipality, are set forth in a written agreement
4 by or among the municipality and the taxing district or
5 taxing districts, which agreement describes the program to
6 be undertaken, including but not limited to the number of
7 employees to be trained, a description of the training and
8 services to be provided, the number and type of positions
9 available or to be available, itemized costs of the program
10 and sources of funds to pay for the same, and the term of
11 the agreement. These costs include, specifically, the
12 payment by community college districts of costs pursuant to
13 Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public
14 Community College Act and by school districts of costs
15 pursuant to Sections 10-22.20a and 10-23.3a of the School
16 Code.

17 (13) Private financing costs incurred by a developer or
18 other persons in connection with an economic development
19 project, provided that:

20 (A) private financing costs shall be paid or
21 reimbursed by a municipality only pursuant to the prior
22 official action of the municipality evidencing intent
23 to pay or reimburse the private financing costs;

24 (B) except as provided in subparagraph (D), the
25 aggregate amount of the costs paid or reimbursed by a
26 municipality in any one year shall not exceed 30% of
27 the costs paid or incurred by the developer or other
28 person in that year;

29 (C) private financing costs shall be paid or
30 reimbursed by a municipality solely from the special
31 tax allocation fund established under this Act and
32 shall not be paid from the proceeds of any obligations
33 issued by a municipality; and

34 (D) if there are not sufficient moneys available in

1 the special tax allocation fund in any year to make the
2 payment or reimbursement in full, any amount of the
3 interest costs remaining to be paid or reimbursed by a
4 municipality shall accrue and be payable when moneys
5 are available in the special tax allocation fund to
6 make the payment.

7 If a special service area has been established under
8 the Special Service Area Tax Act, then any tax increment
9 revenues derived from the tax imposed pursuant to the
10 Special Service Area Tax Act may be used within the
11 economic development project area for the purposes
12 permitted by that Act as well as the purposes permitted by
13 this Act.

14 (f) "Joint Review Board" means a representative from each
15 affected taxing district and any other governmental unit having
16 property located within the economic development project area.

17 (g) "Municipality" means a city, village or incorporated
18 town.

19 (h) "Obligations" means any instrument evidencing the
20 obligation of a municipality to pay money, including without
21 limitation, bonds, notes, installment or financing contracts,
22 certificates, tax anticipation warrants or notes, vouchers,
23 and any other evidence of indebtedness.

24 (i) "Taxing districts" means counties, townships,
25 municipalities, and school, road, park, sanitary, mosquito
26 abatement, forest preserve, public health, fire protection,
27 river conservancy, tuberculosis sanitarium districts and any
28 other municipal corporations or districts with the power to
29 levy taxes.

30 Section 15. Establishment of economic development project
31 areas; ordinance; notice; hearing; changes in economic
32 development plan; amendment of economic development plan.
33 Economic development project areas shall be established as

1 follows:

2 (a) The corporate authorities of a municipality shall by
3 ordinance propose the establishment of an economic development
4 project area and fix a time and place for a public hearing.

5 (b)(1) Notice of the public hearing shall be given by
6 publication and mailing. Notice by publication shall be given
7 by publication at least twice, the first publication to be not
8 more than 30 nor less than 10 days before the public hearing in
9 a newspaper of general circulation within the taxing districts
10 having property in the proposed economic development project
11 area. Notice by mailing shall be given by depositing the notice
12 together with a copy of the proposed economic development plan
13 in the United States mails by certified mail addressed to the
14 person or persons in whose name the general taxes for the last
15 preceding year were paid on each lot, block, tract, or parcel
16 of land lying within the economic development project area. The
17 notice shall be mailed not less than 10 days before the date
18 set for the public hearing. If taxes for the last preceding
19 year were not paid, the notice shall also be sent to any person
20 or persons listed on the tax rolls as the owner of record of
21 the property.

22 (2) The notices issued under this Section shall include
23 the following:

24 (A) The time and place of the public hearing.

25 (B) The boundaries of the proposed economic
26 development project area by legal description and,
27 where possible, by street location.

28 (C) A notification that all interested persons
29 will be given an opportunity to be heard at the public
30 hearing.

31 (D) An invitation for any person to submit
32 alternative proposals or bids for any proposed
33 conveyance, lease, mortgage or other disposition of
34 land within the proposed economic development project

1 area.

2 (E) A description of the economic development plan
3 or economic development project for the proposed
4 economic development project area if a plan or project
5 is the subject matter of the hearing.

6 (F) Other matters the municipality deems
7 appropriate.

8 (3) Not less than 45 days before the date set for the
9 hearing, the municipality shall give notice by mail as
10 provided in this Section to all taxing districts that have
11 taxable property included in the economic development
12 project area. In addition to the other requirements of this
13 Section, the notice shall include the following:

14 (A) An invitation, to a representative designated
15 by the taxing district, to serve as a member of a joint
16 review board and to attend a meeting of the joint
17 review board to be held not less than 15 days before
18 the public hearing for the purpose of reviewing the
19 proposed economic development plan.

20 (B) Information as to the time, date and place of
21 the meeting of the joint review board.

22 (C) A statement that the joint review board is
23 invited to submit any oral or written comments on the
24 proposed economic development project at or before the
25 public hearing and the name, address and telephone
26 number of the person designated by the municipality to
27 receive comments before the public hearing.

28 (D) A copy of the proposed economic development
29 plan if the economic development plan is the subject of
30 the public hearing.

31 (c) At the public hearing any interested person or any
32 affected taxing district may file written objections with the
33 municipal clerk and may be heard orally regarding any issues
34 embodied in the notice. The municipality shall hear and

1 determine all protests and objections at the hearing, and the
2 hearing may be adjourned to another date without further notice
3 other than a motion to be entered upon the minutes fixing the
4 time and place of the adjourned hearing. Public hearings with
5 regard to an economic development plan, economic development
6 project area, or economic development project may be held
7 simultaneously.

8 (d) At the public hearing or at any time before the
9 adoption by the municipality of an ordinance approving an
10 economic development plan, the municipality may make changes in
11 the economic development plan. Changes that (1) alter the
12 exterior boundaries of the proposed economic development
13 project area, (2) substantially affect the general land uses
14 established in the proposed economic development plan, or (3)
15 substantially change the nature of the proposed economic
16 development project, shall be made only after notice and public
17 hearing pursuant to the procedures set forth in this Section.
18 Changes that do not (1) alter the exterior boundaries of a
19 proposed economic development project area, (2) substantially
20 affect the general land uses established in the proposed
21 economic development plan, or (3) substantially change the
22 nature of the proposed economic development project may be made
23 without further public hearing, provided that the municipality
24 shall give notice of its changes by first class mail to each
25 affected taxing district and by publication in a newspaper or
26 newspapers of general circulation within the affected taxing
27 districts. The notice by first class mail and by publication
28 shall each be given not later than 10 days following the
29 adoption by ordinance of the changes.

30 (e) At any time within 90 days of the final adjournment of
31 the public hearing, a municipality may, by ordinance, approve
32 the economic development plan, establish the economic
33 development project area, and authorize tax increment
34 allocation financing for the economic development project

1 area. Any ordinance adopted that approves the economic
2 development plan shall contain findings that (i) the economic
3 development project area would not reasonably be developed
4 without the adoption of the economic development plan, (ii) the
5 economic development project will encourage the increase of
6 commerce, industry, manufacturing, residential housing,
7 research and technology within the State, thereby reducing the
8 evils attendant upon employment and increasing opportunities
9 for personal income, and (iii) that the economic development
10 project will increase or maintain the property, sales and
11 income tax bases of the municipality, the affected taxing
12 districts and the State. Any ordinance adopted that establishes
13 an economic development project area shall contain the
14 boundaries of the area by legal description and, where
15 possible, by street location. Any ordinance adopted that
16 authorizes tax increment allocation financing shall provide
17 that the ad valorem taxes, if any, arising from the levies upon
18 taxable real property in the economic development project area
19 by taxing districts and tax rates determined in the manner
20 provided in subsection (b) of Section 20 of this Act each year
21 after the effective date of the ordinance until economic
22 development project costs and all obligations financing
23 economic development project costs incurred under this Act have
24 been paid shall be divided as follows:

25 (1) That portion of taxes levied upon each taxable lot,
26 block, tract or parcel of real property that is
27 attributable to the lower of the current equalized assessed
28 value or the initial equalized assessed value of each
29 taxable lot, block, tract or parcel of real property in the
30 economic development project area shall be allocated to
31 (and when collected shall be paid by the county collector
32 to) the respective affected taxing districts in the manner
33 required by law in the absence of the adoption of tax
34 increment allocation financing.

1 (2) That portion, if any, of the taxes that is
2 attributable to the increase in the current equalized
3 assessed valuation of each taxable lot, block, tract or
4 parcel of real property in the economic development project
5 area over and above the initial equalized assessed value of
6 each property in the economic development project area
7 shall be allocated to (and when collected shall be paid to)
8 the municipal treasurer, who shall deposit the taxes into a
9 special fund called the "[Name of] Economic Development
10 Project Area Special Tax Allocation Fund" of the
11 municipality for the purpose of paying economic
12 development project costs and obligations incurred in the
13 payment of those costs.

14 (f) After a municipality has by ordinance approved an
15 economic development plan and established an economic
16 development project area, the plan may be amended and the
17 boundaries of the area may be altered only as provided in this
18 Section. Amendments that (1) alter the exterior boundaries of
19 the economic development project area, (2) substantially
20 affect the general land uses established pursuant to the
21 economic development plan, or (3) substantially change the
22 nature of the economic development project shall be made only
23 after notice and hearing pursuant to the procedures set forth
24 in this Section. Amendments that do not (1) alter the
25 boundaries of the economic development project area, (2)
26 substantially affect the general land uses established in the
27 economic development plan, or (3) substantially change the
28 nature of the economic development project may be made without
29 further public hearing, provided that the municipality shall
30 give notice of any amendment by first class mail to each taxing
31 district and by publication in a newspaper or newspapers of
32 general circulation within the affected taxing districts. The
33 notice by first class mail and by publication shall each occur
34 not later than 10 days following the adoption by ordinance of

1 any amendments.

2 Section 20. Filing with County Clerk; Certification of
3 Initial Equalized Assessed Value.

4 (a) A municipality that has by ordinance approved an
5 economic development plan, established an economic development
6 project area, and adopted tax increment allocation financing
7 for that area shall file certified copies of the ordinance or
8 ordinances with the county clerk of each county in which any
9 portion of the economic development project area is located.
10 Upon receiving the ordinance or ordinances, the county clerk
11 shall immediately determine (1) the most recently ascertained
12 equalized assessed value of each lot, block, tract, or parcel
13 of real property within the economic development project area
14 located within the relevant county from which shall be deducted
15 the homestead exemptions provided by Sections 15-170, 15-175
16 and 15-176 of the Property Tax Code (that value being the
17 "initial equalized assessed value" of each such piece of
18 property) and (2) the total equalized assessed value of all
19 taxable real property within the economic development project
20 area located within the relevant county by adding together the
21 most recently ascertained equalized assessed value of each
22 taxable lot, block, tract, or parcel of real property within
23 the economic development project area located within the
24 relevant county, from which shall be deducted the homestead
25 exemptions provided by Sections 15-170, 15-175 and 15-176 of
26 the Property Tax Code, and shall certify that amount as the
27 "total initial equalized assessed value" of the taxable real
28 property within the economic development project area located
29 within the relevant county.

30 (b) After the county clerk has certified the "total initial
31 equalized assessed value" of the taxable real property in the
32 economic development project area, then in respect to every
33 taxing district containing an economic development project

1 area, the county clerk or any other official required by law to
2 ascertain the amount of the equalized assessed value of all
3 taxable property within the taxing district for the purpose of
4 computing the rate per cent of tax to be extended upon taxable
5 property within the taxing district shall, in every year after
6 such time as an economic development plan has been approved
7 until the municipality adopts an ordinance dissolving the
8 special tax allocation fund for the economic development
9 project area, ascertain the amount of value of taxable property
10 in an economic development project area by including in that
11 amount the lower of the current equalized assessed value or the
12 certified "total initial equalized assessed value" of all
13 taxable real property in the economic development project area.
14 The rate per cent of tax determined shall be extended to the
15 current equalized assessed value of all property in the
16 economic development project area in the same manner as the
17 rate per cent of tax is extended to all other taxable property
18 in the taxing district. The method of extending taxes
19 established under this Section shall terminate when the
20 municipality adopts an ordinance dissolving the special tax
21 allocation fund for the economic development project area. This
22 Act shall not be construed as relieving owners or lessees of
23 property within an economic development project area from
24 paying a uniform rate of taxes upon the current equalized
25 assessed value of their taxable property as provided in the
26 Property Tax Code.

27 Section 25. Creation of special tax allocation fund.

28 (a) If a municipality has adopted tax increment allocation
29 financing for an economic development project area by
30 ordinance, and the county clerk has thereafter certified the
31 "total initial equalized assessed value" of the taxable real
32 property within an economic development project area in the
33 manner provided in Section 20 of this Act, each year after the

1 date of the certification by the county clerk of the "total
2 initial equalized assessed value" until economic development
3 project costs and all obligations financing economic
4 development project costs have been paid, the ad valorem taxes,
5 if any, arising from the levies upon the taxable real property
6 in the economic development project area by taxing districts
7 and tax rates determined in the manner provided in subsection
8 (b) of Section 20 of this Act shall be divided as follows:

9 (1) That portion of the taxes levied upon each taxable
10 lot, block, tract or parcel of real property that is
11 attributable to the lower of the current equalized assessed
12 value or the initial equalized assessed value of each
13 taxable lot, block, tract, or parcel of real property
14 existing at the time tax increment allocation financing was
15 adopted, shall be allocated to (and when collected shall be
16 paid by the county collector to) the respective affected
17 taxing districts in the manner required by law in the
18 absence of the adoption of tax increment allocation
19 financing.

20 (2) That portion, if any, of the taxes that is
21 attributable to the increase in the current equalized
22 assessed valuation of each taxable lot, block, tract, or
23 parcel of real property in the economic development project
24 area, over and above the initial equalized assessed value
25 of each property existing at the time tax increment
26 allocation financing was adopted, shall be allocated to
27 (and when collected shall be paid to) the municipal
28 treasurer, who shall deposit the taxes into a special fund
29 (called the "[Name of] Economic Development Project Area
30 Special Tax Allocation Fund" of the municipality) for the
31 purpose of paying economic development project costs and
32 obligations incurred in the payment of those costs.

33 (b) The municipality, by an ordinance adopting tax
34 increment allocation financing, may pledge the moneys in and to

1 be deposited into the special tax allocation fund for the
2 payment of obligations issued to finance economic development
3 project costs and for the payment of economic development
4 project costs. No part of the current equalized assessed
5 valuation of each property in the economic development project
6 area attributable to any increase above the total initial
7 equalized assessed value of those properties shall be used in
8 calculating the general State school aid formula under Section
9 18-8.05 of the School Code until all economic development
10 projects costs have been paid as provided for in this Section.

11 (c) When the economic development project costs, including
12 without limitation all obligations financing economic
13 development project costs incurred under this Act, have been
14 paid, all surplus moneys then remaining in the special tax
15 allocation fund shall be distributed by being paid by the
16 municipal treasurer to the county collector, who shall
17 immediately pay the moneys to the taxing districts having
18 taxable property in the economic development project area in
19 the same manner and proportion as the most recent distribution
20 by the county collector to those taxing districts of real
21 property taxes from real property in the economic development
22 project area.

23 (d) Upon the payment of all economic development project
24 costs, retirement of obligations and distribution of any excess
25 moneys under this Section and not later than 35 years from the
26 date of the adoption of the ordinance establishing the economic
27 development project area, the municipality shall adopt an
28 ordinance dissolving the special tax allocation fund for the
29 economic development project area, terminating the economic
30 development project area, and terminating the use of tax
31 increment allocation financing for the economic development
32 project area. Thereafter, the rates of the taxing districts
33 shall be calculated and taxes levied, collected and distributed
34 in the manner applicable in the absence of the adoption of tax

1 increment allocation financing.

2 (e) Nothing in this Section shall be construed as relieving
3 property in economic development project areas from being
4 assessed as provided in the Property Tax Code, or as relieving
5 owners or lessees of that property from paying a uniform rate
6 of taxes, as required by Section 4 of Article 9 of the Illinois
7 Constitution.

8 Section 30. Pledge of special tax allocation fund; surplus
9 revenues.

10 (a) Obligations secured by the special tax allocation fund
11 provided for in Section 25 of this Act for the economic
12 development project area, including any revenues deposited
13 therein pursuant to Section 10 of this Act, may be issued by a
14 municipality to provide for the payment of economic development
15 project costs. A municipality may in the ordinance pledge all
16 or any part of the moneys in and to be deposited into the
17 special tax allocation fund created under Section 6 of this Act
18 to the payment of the economic development project costs and
19 obligations. Whenever a municipality pledges all of the moneys
20 to the credit of a special tax allocation fund to secure
21 obligations issued or to be issued to pay economic development
22 project costs, the municipality may specifically provide that
23 moneys remaining to the credit of the special tax allocation
24 fund after the payment of the obligations shall be accounted
25 for annually and shall be deemed to be "surplus" moneys, and
26 those "surplus" moneys shall be distributed as provided in this
27 Section. Whenever a municipality pledges less than all of the
28 moneys to the credit of a special tax allocation fund to secure
29 obligations issued or to be issued to pay economic development
30 project costs, the municipality shall provide that moneys to
31 the credit of the special tax allocation fund and not subject
32 to the pledge or otherwise encumbered or required for payment
33 of contractual obligations for specific economic development

1 project costs shall be calculated annually and shall be deemed
2 to be "surplus" moneys, and those "surplus" moneys shall be
3 distributed as provided in this Section. All moneys to the
4 credit of the special tax allocation fund that are deemed to be
5 "surplus" moneys shall be distributed annually within 180 days
6 after the close of the municipality's fiscal year by being paid
7 by the municipal treasurer to the county collector. The county
8 collector shall make distribution to the respective taxing
9 districts in the same manner and proportion as the most recent
10 distribution by the county collector to those taxing districts
11 of real property taxes from real property in the economic
12 development project area.

13 (b) No referendum approval of the electors shall be
14 required as a condition to the issuance of any obligations
15 under this Act.

16 (c) The ordinance authorizing the obligations may provide
17 that the obligations shall contain a recital that they are
18 issued under this Act, and that recital shall be conclusive
19 evidence of their validity and of the regularity of their
20 issuance.

21 (d) No obligations issued under this Act shall be regarded
22 as an indebtedness of the municipality issuing the obligations
23 or any other taxing district for the purpose of any limitation
24 imposed by law.

25 Section 35. Powers of municipalities. In addition to powers
26 that it may now have, a municipality has the following powers
27 under this Act:

28 (a) To make and enter into all contracts necessary or
29 incidental to the implementation and furtherance of an economic
30 development plan.

31 (b) Within an economic development project area, to acquire
32 by purchase, donation or lease, and to own, convey, lease,
33 mortgage or dispose of land and other real or personal property

1 or rights or interests in property; and to grant or acquire
2 licenses, easements and options with respect to property, all
3 in the manner and at a price the municipality determines is
4 reasonably necessary to achieve the objectives of the economic
5 development project. No conveyance, lease, mortgage,
6 disposition of land or agreement relating to the development of
7 property owned by a municipality shall be made or executed
8 except pursuant to prior official action of the municipality.
9 No conveyance, lease, mortgage or other disposition of land in
10 furtherance of an economic development project, and no
11 agreement relating to the development of property owned by a
12 municipality in furtherance of an economic development
13 project, shall be made without making public disclosure of the
14 terms and disposition of all bids and proposals submitted to
15 the municipality in connection with that action.

16 (c) To clear any area within an economic development
17 project area by demolition or removal of any existing
18 buildings, structures, fixtures, utilities or improvements,
19 and to clear and grade land.

20 (d) To install, repair, construct, reconstruct, extend or
21 relocate public streets, public utilities, and other public
22 site improvements within or without an economic development
23 project area that are essential to the preparation of an
24 economic development project area for use in accordance with an
25 economic development plan.

26 (e) To renovate, rehabilitate, reconstruct, relocate,
27 repair or remodel any existing buildings, improvements and
28 fixtures within an economic development project area.

29 (f) To install or construct public improvements, including
30 but not limited to, buildings, structures, works, streets,
31 improvements, utilities or fixtures, within an economic
32 development project area.

33 (g) To issue obligations as provided in this Act

34 (h) To fix, charge and collect fees, rents and charges for

1 the use of any building, facility or property or any portion
2 thereof owned or leased by the municipality in furtherance of
3 an economic development project under this Act within an
4 economic development project area.

5 (i) To accept grants, guarantees, donations of property or
6 labor, or any other thing of value for use in connection with
7 an economic development project.

8 (j) To pay or cause to be paid economic development project
9 costs including, specifically, to reimburse any developer or
10 other person for economic development project costs incurred by
11 that person. Any payments to be made by the municipality to
12 developers or other persons for economic development project
13 costs incurred by a developer or other person shall be made
14 only if (x) such costs (but not including planning and other
15 preliminary costs) have first been approved by the municipality
16 as part of an economic development plan, (y) are paid pursuant
17 to the prior official action of the municipality evidencing an
18 intent to pay or cause to be paid those economic development
19 project costs and (z) are consistent with the objectives of the
20 economic development plan as originally approved or as
21 subsequently amended as provided in Section 15 of this Act. A
22 municipality is not required to obtain any right, title or
23 interest in any real or personal property in order to pay
24 economic development project costs associated with the
25 property. The municipality shall adopt accounting procedures
26 necessary to determine that the economic development project
27 costs are properly paid.

28 (k) To create a commission of not less than 5 nor more than
29 15 persons to be appointed by the mayor or president of the
30 municipality with the consent of the majority of the corporate
31 authorities of the municipality. Members of a commission
32 appointed after the effective date of this Act shall be
33 appointed for initial terms of one, 2, 3, 4 and 5 years,
34 respectively, in such numbers as to provide that the terms of

1 not more than one-third of all such members shall expire in any
2 one year. Their successors shall be appointed for a term of
3 five years. The commission, subject to approval of the
4 corporate authorities, may exercise the powers enumerated in
5 this Section. The commission shall also have the power to hold
6 the public hearings required by this Act and make
7 recommendations to the corporate authorities concerning the
8 adoption of economic development plans, economic development
9 projects and designation of the economic development project
10 areas.

11 (l) To jointly undertake and perform economic development
12 plans and projects and utilize the provisions of this Act
13 wherever one or more municipalities have contiguous economic
14 development project areas or one or more municipalities
15 determine to adopt tax increment allocation financing with
16 respect to an economic development project area which includes
17 contiguous real property within the boundaries of such
18 municipalities, and in doing so, such municipalities may, by
19 agreement between them, issue obligations, separately or
20 jointly, and expend revenues received under this Act for
21 eligible expenses anywhere within two or more contiguous
22 economic development project areas, to pay obligations issued
23 to finance economic development project costs and as otherwise
24 permitted under this Act.

25 (m) Utilize revenues received (or the proceeds of any
26 obligation issued) under this Act from one economic development
27 project area for eligible economic development costs incurred
28 or to be incurred in another economic development project area
29 that is either contiguous to, or is separated only by a public
30 right of way from, the economic development project area from
31 which the revenues are received or for which such obligation
32 are issued.

33 (n) To exercise any and all other powers necessary to
34 effectuate the purposes of this Act.

1 Section 40. Conflicts of Interest; Disclosure.

2 (a) If any member of the corporate authorities of a
3 municipality or an employee or consultant of the municipality
4 involved in the planning, analysis, preparation or
5 administration of an economic development plan or an economic
6 development project (or a proposed economic development plan or
7 proposed economic development project) owns or controls any
8 direct or indirect interest in any property included in an
9 economic development project area or proposed economic
10 development project area, he or she shall disclose the interest
11 in writing to the municipal clerk. The disclosure shall include
12 the dates, terms and conditions of any disposition of any such
13 interest. The disclosures shall be acknowledged by the
14 corporate authorities of the municipality and entered upon the
15 official records and files of the corporate authorities.

16 (b) An individual holding an interest shall refrain from
17 any further official involvement regarding the established or
18 proposed economic development project area, economic
19 development plan or economic development project and shall also
20 refrain from voting on any matter pertaining to that project,
21 plan or area and from communicating with any members of the
22 corporate authorities or any employees or consultants of the
23 municipality regarding any matter relating to the project, plan
24 or area.

25 (c) No member of the corporate authorities of the
26 municipality and no employee of the municipality shall acquire
27 any direct or indirect interest in any real or personal
28 property or rights or interest in property within an economic
29 development project area or a proposed economic development
30 project area after the person obtains knowledge of the project,
31 plan or area or after the first public notice of the project,
32 plan or area is given by the municipality, whichever first
33 occurs.

1 Section 45. Payment of project costs; revenues from
2 municipal property. Revenues received by the municipality from
3 any property, building or facility owned, leased or operated by
4 the municipality or any agency or authority established by the
5 municipality in furtherance of an economic development project
6 under this Act may be used to pay economic development project
7 costs, or reduce outstanding obligations issued to finance
8 economic development project costs. The municipality may place
9 those revenues in the special tax allocation fund, which shall
10 be held by the municipal treasurer or other person designated
11 by the municipality. Revenue received by the municipality from
12 the sale or other disposition of real or personal property or
13 rights or interests therein acquired by the municipality with
14 the proceeds of obligations funded by obligations issued under
15 this Act shall be deposited by the municipality in the special
16 tax allocation fund.

17 Section 47. Application of Prevailing Wage Act. The
18 requirements of the Prevailing Wage Act apply to any economic
19 development project that is constructed under this Act.

20 Section 50. Partial invalidity. If any Section,
21 subdivision, paragraph, sentence or clause of this Act is, for
22 any reason, held to be invalid or unconstitutional, the
23 decision shall not affect any remaining portion, Section or
24 part of this Act that can be given effect without the invalid
25 provision.

26 Section 55. Act as complete, alternate method;
27 construction of Act. The foregoing Sections of this Act shall
28 be deemed to provide a complete, additional and alternate
29 method for the doing of the things authorized thereby. The
30 grant of authority contained in this Act is supplemental and in

1 addition to all other power or authority granted to
2 governmental units, shall be construed liberally and shall not
3 be construed as a limitation of any power or authority granted
4 otherwise.

5 Section 60. Home rule powers. This Act shall not be
6 construed as a limitation of any power or authority granted
7 under Section 6 of Article VII of the 1970 Constitution of the
8 State of Illinois.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.".