

SB1601



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1601

Introduced 2/19/2009, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

20 ILCS 620/3

from Ch. 67 1/2, par. 1003

Amends the Economic Development Area Tax Increment Allocation Act. Provides that economic development project costs include any direct or indirect costs relating to LEEDS certified construction elements. Defines "LEEDS certified" as any certification level of construction elements by a qualified Leadership in Energy and Environmental Design Accredited Professional as determined by the U.S. Green Building Council.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Economic Development Area Tax Increment
5 Allocation Act is amended by changing Section 3 as follows:

6 (20 ILCS 620/3) (from Ch. 67 1/2, par. 1003)

7 Sec. 3. Definitions. In this Act, words or terms shall have
8 the following meanings unless the context or usage clearly
9 indicates that another meaning is intended.

10 (a) "Department" means the Department of Commerce and
11 Economic Opportunity.

12 (b) "Economic development plan" means the written plan of a
13 municipality which sets forth an economic development program
14 for an economic development project area. Each economic
15 development plan shall include but not be limited to (1)
16 estimated economic development project costs, (2) the sources
17 of funds to pay such costs, (3) the nature and term of any
18 obligations to be issued by the municipality to pay such costs,
19 (4) the most recent equalized assessed valuation of the
20 economic development project area, (5) an estimate of the
21 equalized assessed valuation of the economic development
22 project area after completion of an economic development
23 project, (6) the estimated date of completion of any economic

1 development project proposed to be undertaken, (7) a general
2 description of any proposed developer, user, or tenant of any
3 property to be located or improved within the economic
4 development project area, (8) a description of the type,
5 structure and general character of the facilities to be
6 developed or improved in the economic development project area,
7 (9) a description of the general land uses to apply in the
8 economic development project area, (10) a description of the
9 type, class and number of employees to be employed in the
10 operation of the facilities to be developed or improved in the
11 economic development project area, and (11) a commitment by the
12 municipality to fair employment practices and an affirmative
13 action plan with respect to any economic development program to
14 be undertaken by the municipality.

15 (c) "Economic development project" means any development
16 project in furtherance of the objectives of this Act.

17 (d) "Economic development project area" means any improved
18 or vacant area which (1) is located within or partially within
19 or partially without the territorial limits of a municipality,
20 provided that no area without the territorial limits of a
21 municipality shall be included in an economic development
22 project area without the express consent of the Department,
23 acting as agent for the State, (2) is contiguous, (3) is not
24 less in the aggregate than three hundred twenty acres, (4) is
25 suitable for siting by any commercial, manufacturing,
26 industrial, research or transportation enterprise of

1 facilities to include but not be limited to commercial
2 businesses, offices, factories, mills, processing plants,
3 assembly plants, packing plants, fabricating plants,
4 industrial or commercial distribution centers, warehouses,
5 repair overhaul or service facilities, freight terminals,
6 research facilities, test facilities or transportation
7 facilities, whether or not such area has been used at any time
8 for such facilities and whether or not the area has been used
9 or is suitable for other uses, including commercial
10 agricultural purposes, and (5) which has been approved and
11 certified by the Department pursuant to this Act.

12 (e) "Economic development project costs" mean and include
13 the sum total of all reasonable or necessary costs incurred by
14 a municipality incidental to an economic development project,
15 including, without limitation, the following:

16 (1) Costs of studies, surveys, development of plans and
17 specifications, implementation and administration of an
18 economic development plan, personnel and professional service
19 costs for architectural, engineering, legal, marketing,
20 financial, planning, police, fire, public works or other
21 services, provided that no charges for professional services
22 may be based on a percentage of incremental tax revenues;

23 (2) Property assembly costs within an economic development
24 project area, including but not limited to acquisition of land
25 and other real or personal property or rights or interests
26 therein, and specifically including payments to developers or

1 other nongovernmental persons as reimbursement for property
2 assembly costs incurred by such developer or other
3 nongovernmental person;

4 (3) Site preparation costs, including but not limited to
5 clearance of any area within an economic development project
6 area by demolition or removal of any existing buildings,
7 structures, fixtures, utilities and improvements and clearing
8 and grading; and including installation, repair, construction,
9 reconstruction, or relocation of public streets, public
10 utilities, and other public site improvements within or without
11 an economic development project area which are essential to the
12 preparation of the economic development project area for use in
13 accordance with an economic development plan; and specifically
14 including payments to developers or other nongovernmental
15 persons as reimbursement for site preparation costs incurred by
16 such developer or nongovernmental person;

17 (4) Costs of renovation, rehabilitation, reconstruction,
18 relocation, repair or remodeling of any existing buildings,
19 improvements, and fixtures within an economic development
20 project area, and specifically including payments to
21 developers or other nongovernmental persons as reimbursement
22 for such costs incurred by such developer or nongovernmental
23 person;

24 (5) Costs of construction within an economic development
25 project area of public improvements, including but not limited
26 to, buildings, structures, works, utilities, ~~or~~ fixtures, or

1 any direct or indirect costs relating to LEEDS certified
2 construction elements;

3 (6) Financing costs, including but not limited to all
4 necessary and incidental expenses related to the issuance of
5 obligations, payment of any interest on any obligations issued
6 hereunder which accrues during the estimated period of
7 construction of any economic development project for which such
8 obligations are issued and for not exceeding 36 months
9 thereafter, and any reasonable reserves related to the issuance
10 of such obligations;

11 (7) All or a portion of a taxing district's capital costs
12 resulting from an economic development project necessarily
13 incurred or estimated to be incurred by a taxing district in
14 the furtherance of the objectives of an economic development
15 project, to the extent that the municipality by written
16 agreement accepts and approves such costs;

17 (8) Relocation costs to the extent that a municipality
18 determines that relocation costs shall be paid or is required
19 to make payment of relocation costs by federal or State law;

20 (9) The estimated tax revenues from real property in an
21 economic development project area acquired by a municipality
22 which, according to the economic development plan, is to be
23 used for a private use and which any taxing district would have
24 received had the municipality not adopted tax increment
25 allocation financing for an economic development project area
26 and which would result from such taxing district's levies made

1 after the time of the adoption by the municipality of tax
2 increment allocation financing to the time the current
3 equalized assessed value of real property in the economic
4 development project area exceeds the total initial equalized
5 value of real property in said area;

6 (10) Costs of job training, advanced vocational or career
7 education, including but not limited to courses in
8 occupational, semi-technical or technical fields leading
9 directly to employment, incurred by one or more taxing
10 districts, provided that such costs are related to the
11 establishment and maintenance of additional job training,
12 advanced vocational education or career education programs for
13 persons employed or to be employed by employers located in an
14 economic development project area, and further provided that
15 when such costs are incurred by a taxing district or taxing
16 districts other than the municipality they shall be set forth
17 in a written agreement by or among the municipality and the
18 taxing district or taxing districts, which agreement describes
19 the program to be undertaken, including but not limited to the
20 number of employees to be trained, a description of the
21 training and services to be provided, the number and type of
22 positions available or to be available, itemized costs of the
23 program and sources of funds to pay the same, and the term of
24 the agreement. Such costs include, specifically, the payment by
25 community college districts of costs pursuant to Sections 3-37,
26 3-38, 3-40 and 3-40.1 of the Public Community College Act and

1 by school districts of costs pursuant to Sections 10-22.20a and
2 10-23.3a of The School Code;

3 (11) Private financing costs incurred by developers or
4 other nongovernmental persons in connection with an economic
5 development project, and specifically including payments to
6 developers or other nongovernmental persons as reimbursement
7 for such costs incurred by such developer or other
8 nongovernmental person, provided that:

9 (A) private financing costs shall be paid or reimbursed by
10 a municipality only pursuant to the prior official action of
11 the municipality evidencing an intent to pay or reimburse such
12 private financing costs;

13 (B) except as provided in subparagraph (D), the aggregate
14 amount of such costs paid or reimbursed by a municipality in
15 any one year shall not exceed 30% of such costs paid or
16 incurred by the developer or other nongovernmental person in
17 that year;

18 (C) private financing costs shall be paid or reimbursed by
19 a municipality solely from the special tax allocation fund
20 established pursuant to this Act and shall not be paid or
21 reimbursed from the proceeds of any obligations issued by a
22 municipality;

23 (D) if there are not sufficient funds available in the
24 special tax allocation fund in any year to make such payment or
25 reimbursement in full, any amount of such interest cost
26 remaining to be paid or reimbursed by a municipality shall

1 accrue and be payable when funds are available in the special
2 tax allocation fund to make such payment; and

3 (E) in connection with its approval and certification of an
4 economic development project pursuant to Section 5 of this Act,
5 the Department shall review any agreement authorizing the
6 payment or reimbursement by a municipality of private financing
7 costs in its consideration of the impact on the revenues of the
8 municipality and the affected taxing districts of the use of
9 tax increment allocation financing.

10 (f) "Municipality" means a city, village or incorporated
11 town.

12 (g) "Obligations" means any instrument evidencing the
13 obligation of a municipality to pay money, including without
14 limitation, bonds, notes, installment or financing contracts,
15 certificates, tax anticipation warrants or notes, vouchers,
16 and any other evidence of indebtedness.

17 (h) "Taxing districts" means counties, townships,
18 municipalities, and school, road, park, sanitary, mosquito
19 abatement, forest preserve, public health, fire protection,
20 river conservancy, tuberculosis sanitarium and any other
21 municipal corporations or districts with the power to levy
22 taxes.

23 (i) "LEEDS certified" means any certification level of
24 construction elements by a qualified Leadership in Energy and
25 Environmental Design Accredited Professional as determined by
26 the U.S. Green Building Council.

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1 (Source: P.A. 94-793, eff. 5-19-06.)