



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3435

Introduced 2/24/2011, by Rep. Fred Crespo

SYNOPSIS AS INTRODUCED:

20 ILCS 620/3	from Ch. 67 1/2, par. 1003
20 ILCS 620/4	from Ch. 67 1/2, par. 1004
20 ILCS 620/5	from Ch. 67 1/2, par. 1005
20 ILCS 620/8	from Ch. 67 1/2, par. 1008
20 ILCS 620/9	from Ch. 67 1/2, par. 1009
20 ILCS 620/11	from Ch. 67 1/2, par. 1011

Amends the Economic Development Area Tax Increment Allocation Act. Provides that, if the maximum duration for obligations allowed under an economic development plan is less than the maximum duration allowed under the Act, a municipality may, by ordinance, amend the plan to increase the duration up to the maximum duration allowed under the Act. Provides that obligations secured by the special tax allocation fund for an economic development project area shall mature not later than 38 years (now, 23 years) from the date of establishment of the economic development project area. Provides that, under the Act, a municipality has the power to acquire and operate public improvements. Makes other changes. Effective immediately.

LRB097 10919 PJG 51477 b

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 Sections 3, 4, 5, 8, 9,
6 and 11 as follows:

7 (20 ILCS 620/3) (from Ch. 67 1/2, par. 1003)

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

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

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

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

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

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

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

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

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

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

1 therein, and specifically including payments to developers or
2 other nongovernmental persons as reimbursement for property
3 assembly costs incurred by such developer or other
4 nongovernmental person;

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

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

25 (5) Costs of construction, acquisition, and operation
26 within an economic development project area of public

1 improvements, including but not limited to, publicly-owned
2 buildings, structures, works, utilities or fixtures;

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

24 (20 ILCS 620/4) (from Ch. 67 1/2, par. 1004)

25 Sec. 4. Establishment of economic development project

1 areas; ordinance; notice; hearing; changes in economic
2 development plan. Economic development project areas shall be
3 established as follows:

4 (a) The corporate authorities of a municipality shall by
5 ordinance propose the establishment of an economic development
6 project area and fix a time and place for a public hearing, and
7 shall submit a certified copy of the ordinance as adopted to
8 the Department.

9 (b) (1) Notice of the public hearing shall be given by
10 publication and mailing. Notice by publication shall be given
11 by publication at least twice, the first publication to be not
12 more than 30 nor less than 10 days prior to the hearing in a
13 newspaper of general circulation within the taxing districts
14 having property in the proposed economic development project
15 area. Notice by mailing shall be given by depositing such
16 notice together with a copy of the proposed economic
17 development plan in the United States mails by certified mail
18 addressed to the person or persons in whose name the general
19 taxes for the last preceding year were paid on each lot, block,
20 tract, or parcel of land lying within the economic development
21 project area. The notice shall be mailed not less than 10 days
22 prior to the date set for the public hearing. In the event
23 taxes for the last preceding year were not paid, the notice
24 shall also be sent to the persons last listed on the tax rolls
25 within the preceding 3 years as the owners of such property.

26 (2) The notices issued pursuant to this Section shall

1 include the following:

2 (A) The time and place of public hearing;

3 (B) The boundaries of the proposed economic development
4 project area by legal description and by street location where
5 possible;

6 (C) A notification that all interested persons will be
7 given an opportunity to be heard at the public hearing;

8 (D) An invitation for any person to submit alternative
9 proposals or bids for any proposed conveyance, lease, mortgage
10 or other disposition of land within the proposed economic
11 development project area;

12 (E) A description of the economic development plan or
13 economic development project if a plan or project is a subject
14 matter of the hearing; and

15 (F) Such other matters as the municipality may deem
16 appropriate.

17 (3) Not less than 30 days prior to the date set for
18 hearing, the municipality shall give notice by mail as provided
19 in this subsection (b) to all taxing districts, of which
20 taxable property is included in the economic development
21 project area, and to the Department. In addition to the other
22 requirements under this subsection (b), the notice shall
23 include an invitation to the Department and each taxing
24 district to submit comments to the municipality concerning the
25 subject matter of the hearing prior to the date of hearing.

26 (c) At the public hearing any interested person, the

1 Department or any affected taxing district may file written
2 objections with the municipal clerk and may be heard orally
3 with respect to any issues embodied in the notice. The
4 municipality shall hear and determine all alternate proposals
5 or bids for any proposed conveyance, lease, mortgage or other
6 disposition of land and all protests and objections at the
7 hearing, and the hearing may be adjourned to another date
8 without further notice other than a motion to be entered upon
9 the minutes fixing the time and place of the adjourned hearing.
10 Public hearings with regard to an economic development plan,
11 economic development project area, or economic development
12 project may be held simultaneously.

13 (d) At the public hearing or at any time prior to the
14 adoption by the municipality of an ordinance approving an
15 economic development plan, the municipality may make changes in
16 the economic development plan. Changes which (1) alter the
17 exterior boundaries of the proposed economic development
18 project area, (2) substantially affect the general land uses
19 established in the proposed economic development plan, (3)
20 substantially change the nature of the proposed economic
21 development project, (4) change the general description of any
22 proposed developer, user or tenant of any property to be
23 located or improved within the economic development project
24 area, or (5) change the description of the type, class and
25 number of employees to be employed in the operation of the
26 facilities to be developed or improved within the economic

1 development project area shall be made only after notice and
2 hearing pursuant to the procedures set forth in this Section.
3 Changes which do not (1) alter the exterior boundaries of a
4 proposed economic development project area, (2) substantially
5 affect the general land uses established in the proposed
6 economic development plan, (3) substantially change the nature
7 of the proposed economic development project, (4) change the
8 general description of any proposed developer, user or tenant
9 of any property to be located or improved within the economic
10 development project area, or (5) change the description of the
11 type, class and number of employees to be employed in the
12 operation of the facilities to be developed or improved within
13 the economic development project area may be made without
14 further hearing, provided that the municipality shall give
15 notice of its changes by mail to the Department and to each
16 affected taxing district and by publication in a newspaper or
17 newspapers of general circulation within the affected taxing
18 districts. Such notice by mail and by publication shall each
19 occur not later than 10 days following the adoption by
20 ordinance of such changes.

21 (e) At any time within 30 days of the final adjournment of
22 the public hearing, a municipality may, by ordinance, approve
23 the economic development plan, establish the economic
24 development project area, and authorize tax increment
25 allocation financing for such economic development project
26 area. Any ordinance adopted which approves an economic

1 development plan shall contain findings that the economic
2 development project shall create or retain not less than 4,000
3 ~~2,000~~ full-time equivalent jobs, that private investment in an
4 amount not less than \$100,000,000 shall occur in the economic
5 development project area, that the economic development
6 project will encourage the increase of commerce and industry
7 within the State, thereby reducing the evils attendant upon
8 unemployment and increasing opportunities for personal income,
9 and that the economic development project will increase or
10 maintain the property, sales and income tax bases of the
11 municipality and of the State. Any ordinance adopted which
12 establishes an economic development project area shall contain
13 the boundaries of such area by legal description and, where
14 possible, by street location. Any ordinance adopted which
15 authorizes tax increment allocation financing shall provide
16 that the ad valorem taxes, if any, arising from the levies upon
17 taxable real property in such economic development project area
18 by taxing districts and tax rates determined in the manner
19 provided in subsection (b) of Section 6 of this Act each year
20 after the effective date of the ordinance until economic
21 development project costs and all municipal obligations
22 financing economic development project costs incurred under
23 this Act have been paid shall be divided as follows:

24 (1) That portion of taxes levied upon each taxable lot,
25 block, tract or parcel of real property which is attributable
26 to the lower of the current equalized assessed value or the

1 initial equalized assessed value of each such taxable lot,
2 block, tract or parcel of real property in the economic
3 development project area shall be allocated to and when
4 collected shall be paid by the county collector to the
5 respective affected taxing districts in the manner required by
6 law in the absence of the adoption of tax increment allocation
7 financing.

8 (2) That portion, if any, of such taxes which is
9 attributable to the increase in the current equalized assessed
10 valuation of each taxable lot, block, tract or parcel of real
11 property in the economic development project area over and
12 above the initial equalized assessed value of each property in
13 the economic development project area shall be allocated to and
14 when collected shall be paid to the municipal treasurer who
15 shall deposit such taxes into a special fund called the special
16 tax allocation fund of the municipality for the purpose of
17 paying economic development project costs and obligations
18 incurred in the payment thereof.

19 (f) After a municipality has by ordinance approved an
20 economic development plan and established an economic
21 development project area, the plan may be amended and the
22 boundaries of the area may be altered only as herein provided.
23 Amendments which (1) alter the exterior boundaries of an
24 economic development project area, (2) substantially affect
25 the general land uses established pursuant to the economic
26 development plan, (3) substantially change the nature of the

1 economic development project, (4) change the 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, or (5) change the description of the
5 type, class and number of employees to be employed in the
6 operation of the facilities to be developed or improved within
7 the economic development project area, shall be made only after
8 notice and hearing pursuant to the procedures set forth in this
9 Section. Amendments which do not (1) alter the boundaries of
10 the economic development project area, (2) substantially
11 affect the general land uses established in the economic
12 development plan, (3) substantially change the nature of the
13 economic development project, (4) change the general
14 description of any proposed developer, user, or tenant of any
15 property to be located or improved within the economic
16 development project area, or (5) change the description of the
17 type, class and number of employees to be employed in the
18 operation of the facilities to be developed or improved within
19 the economic development project area may be made without
20 further hearing, provided that the municipality shall give
21 notice of any amendment by mail to the Department and to each
22 taxing district and by publication in a newspaper or newspapers
23 of general circulation within the affected taxing districts.
24 Such notice by mail and by publication shall each occur not
25 later than 10 days following the adoption by ordinance of any
26 amendments.

1 Notwithstanding anything to the contrary set forth in this
2 Act, to the extent the maximum duration for obligations allowed
3 under an economic development plan is less than the maximum
4 duration permitted under Section 8 of this Act, a municipality
5 may by ordinance amend such existing economic development plan
6 to increase the duration of obligations allowed under the
7 economic development plan up to the maximum duration permitted
8 under Section 8 of this Act. [Such ordinance may also extend
9 the estimated date of completion of the economic development
10 project up to the maximum duration of any obligations permitted
11 therein.] Such ordinance may be adopted without further hearing
12 or notice and without complying with the procedures provided in
13 this Act pertaining to an amendment to or the initial approval
14 of an economic development plan.

15 (Source: P.A. 86-38.)

16 (20 ILCS 620/5) (from Ch. 67 1/2, par. 1005)

17 Sec. 5. Submission to Department; certification by
18 Department; limitation on number of permissible economic
19 development project areas. (a) The municipality shall submit
20 certified copies of any ordinances adopted approving an
21 economic development plan, establishing an economic
22 development project area, and authorizing tax increment
23 allocation financing for such economic development project
24 area to the Department, together with (1) a map of the economic
25 development project area, (2) a copy of the economic

1 development plan as approved, (3) an analysis, and any
2 supporting documents and statistics, demonstrating that the
3 economic development project shall create or retain not less
4 than 4,000 ~~2,000~~ full-time equivalent jobs and that private
5 investment in the amount of not less than \$100,000,000 shall
6 occur in the economic development project area, (4) an estimate
7 of the economic impact of the economic development project and
8 the use of tax increment allocation financing upon the revenues
9 of the municipality and the affected taxing districts, (5) a
10 record of all public hearings had in connection with the
11 establishment of the economic development project area, and (6)
12 such other information as the Department by regulation may
13 require.

14 (b) Upon receipt of an application from a municipality the
15 Department shall review the application to determine whether
16 the economic development project area qualifies as an economic
17 development project area under this Act. At its discretion, the
18 Department may accept or reject the application or may request
19 such additional information as it deems necessary or advisable
20 to aid its review. If any such area is found to be qualified to
21 be an economic development project area, the Department shall
22 approve and certify such economic development project area and
23 shall provide written notice of its approval and certification
24 to the municipality and to the county clerk. In determining
25 whether an economic development project area shall be approved
26 and certified, the Department shall consider (1) whether,

1 without public intervention, the State would suffer
2 substantial economic dislocation, such as relocation of a
3 commercial business or industrial or manufacturing facility to
4 another state, territory or country, or would not otherwise
5 benefit from private investment offering substantial
6 employment opportunities and economic growth, and (2) the
7 impact on the revenues of the municipality and the affected
8 taxing districts of the use of tax increment allocation
9 financing in connection with the economic development project.

10 (c) On or before the date which is 18 months following the
11 date on which this Act becomes law, the Department shall submit
12 to the General Assembly a report detailing the number of
13 economic development project areas it has approved and
14 certified, the number and type of jobs created or retained
15 therein, the aggregate amount of private investment therein,
16 the impact on the revenues of municipalities and affected
17 taxing districts of the use of tax increment allocation
18 financing therein, and such additional information as the
19 Department may determine to be relevant. On or after the date
20 which is 20 months following the date on which this Act becomes
21 law the authority granted hereunder to municipalities to
22 establish economic development project areas and to adopt tax
23 increment allocation financing in connection therewith and to
24 the Department to approve and certify economic development
25 project areas shall expire unless the General Assembly shall
26 have authorized municipalities and the Department to continue

1 to exercise the powers granted to them hereunder.

2 (Source: P.A. 86-38.)

3 (20 ILCS 620/8) (from Ch. 67 1/2, par. 1008)

4 Sec. 8. Issuance of obligations for economic development
5 project costs. Obligations secured by the special tax
6 allocation fund provided for in Section 7 of this Act for an
7 economic development project area may be issued to provide for
8 economic development project costs. Those obligations, when so
9 issued, shall be retired in the manner provided in the
10 ordinance authorizing the issuance of the obligations by the
11 receipts of taxes levied as specified in Section 6 of this Act
12 against the taxable property included in the economic
13 development project area and by other revenue designated or
14 pledged by the municipality. A municipality may in the
15 ordinance pledge all or any part of the funds in and to be
16 deposited in the special tax allocation fund created pursuant
17 to Section 7 of this Act to the payment of the economic
18 development project costs and obligations. Whenever a
19 municipality pledges all of the funds to the credit of a
20 special tax allocation fund to secure obligations issued or to
21 be issued to pay economic development project costs, the
22 municipality may specifically provide that funds remaining to
23 the credit of such special tax allocation fund after the
24 payment of such obligations shall be accounted for annually and
25 shall be deemed to be "surplus" funds, and such "surplus" funds

1 shall be distributed as hereinafter provided. Whenever a
2 municipality pledges less than all of the monies to the credit
3 of a special tax allocation fund to secure obligations issued
4 or to be issued to pay economic development project costs, the
5 municipality shall provide that monies to the credit of the
6 special tax allocation fund and not subject to such pledge or
7 otherwise encumbered or required for payment of contractual
8 obligations for specific economic development project costs
9 shall be calculated annually and shall be deemed to be
10 "surplus" funds, and such "surplus" funds shall be distributed
11 as hereinafter provided. All funds to the credit of a special
12 tax allocation fund which are deemed to be "surplus" funds
13 shall be distributed annually within 180 days of the close of
14 the municipality's fiscal year by being paid by the municipal
15 treasurer to the county collector. The county collector shall
16 thereafter make distribution to the respective taxing
17 districts in the same manner and proportion as the most recent
18 distribution by the county collector to those taxing districts
19 of real property taxes from real property in the economic
20 development project area.

21 Without limiting the foregoing in this Section the
22 municipality may, in addition to obligations secured by the
23 special tax allocation fund, pledge for a period not greater
24 than the term of the obligations towards payment of those
25 obligations any part or any combination of the following: (i)
26 net revenues of all or part of any economic development

1 project; (ii) taxes levied and collected on any or all property
2 in the municipality, including, specifically, taxes levied or
3 imposed by the municipality in a special service area pursuant
4 to "An Act to provide the manner of levying or imposing taxes
5 for the provision of special services to areas within the
6 boundaries of home rule units and non-home rule municipalities
7 and counties", approved September 21, 1973, as now or hereafter
8 amended; (iii) the full faith and credit of the municipality;
9 (iv) a mortgage on part or all of the economic development
10 project; or (v) any other taxes or anticipated receipts that
11 the municipality may lawfully pledge.

12 Such obligations may be issued in one or more series
13 bearing interest at such rate or rates as the corporate
14 authorities of the municipality shall determine by ordinance,
15 which rate or rates may be variable or fixed, without regard to
16 any limitations contained in any law now in effect or hereafter
17 adopted. Such obligations shall bear such date or dates, mature
18 at such time or times not exceeding 38 ~~20~~ years from their
19 respective dates, but in no event exceeding 38 ~~23~~ years from
20 the date of establishment of the economic development project
21 area, be in such denomination, be in such form, whether coupon,
22 registered or book-entry, carry such registration, conversion
23 and exchange privileges, be executed in such manner, be payable
24 in such medium of payment at such place or places within or
25 without the State of Illinois, contain such covenants, terms
26 and conditions, be subject to redemption with or without

1 premium, be subject to defeasance upon such terms, and have
2 such rank or priority, as such ordinance shall provide.
3 Obligations issued pursuant to this Act may be sold at public
4 or private sale at such price as shall be determined by the
5 corporate authorities of the municipalities. Such obligations
6 may, but need not, be issued utilizing the provisions of any
7 one or more of the omnibus bond Acts specified in Section 1.33
8 of "An Act to revise the law in relation to the construction of
9 the statutes", approved March 5, 1874, as now or hereafter
10 amended. No referendum approval of the electors shall be
11 required as a condition to the issuance of obligations pursuant
12 to this Act except as provided in this Section.

13 Whenever a municipality issues bonds for the purpose of
14 financing economic development project costs, the municipality
15 may provide by ordinance for the appointment of a trustee,
16 which may be any trust company within the State, and for the
17 establishment of the funds or accounts to be maintained by such
18 trustee as the municipality shall deem necessary to provide for
19 the security and payment of the bonds. If the municipality
20 provides for the appointment of a trustee, the trustee shall be
21 considered the assignee of any payments assigned by the
22 municipality pursuant to the ordinance and this Section. Any
23 amounts paid to the trustee as assignee shall be deposited in
24 the funds or accounts established pursuant to the trust
25 agreement, and shall be held by the trustee in trust for the
26 benefit of the holders of the bonds, and the holders shall have

1 a lien on and a security interest in those bonds or accounts so
2 long as the bonds remain outstanding and unpaid. Upon
3 retirement of the bonds, the trustee shall pay over any excess
4 amounts held to the municipality for deposit in the special tax
5 allocation fund.

6 In the event the municipality authorizes the issuance of
7 obligations pursuant to the authority of this Act secured by
8 the full faith and credit of the municipality, or pledges ad
9 valorem taxes pursuant to clause (ii) of the second paragraph
10 of this Section, which obligations are other than obligations
11 which may be issued under home rule powers provided by Article
12 VII, Section 6 of the Illinois Constitution or which ad valorem
13 taxes are other than ad valorem taxes which may be pledged
14 under home rule powers provided by Article VII, Section 6 of
15 the Illinois Constitution or which are levied in a special
16 service area pursuant to "An Act to provide the manner of
17 levying or imposing taxes for the provision of special services
18 to areas within the boundaries of home rule units and non-home
19 rule municipalities and counties", approved September 21,
20 1973, as now or hereafter amended, the ordinance authorizing
21 the issuance of those obligations or pledging those taxes shall
22 be published within 10 days after the ordinance has been
23 adopted, in one or more newspapers having a general circulation
24 within the municipality. The publication of the ordinance shall
25 be accompanied by a notice of (1) the specific number of voters
26 required to sign a petition requesting the question of the

1 issuance of the obligations or pledging such ad valorem taxes
2 to be submitted to the electors; (2) the time within which the
3 petition must be filed; and (3) the date of the prospective
4 referendum. The municipal clerk shall provide a petition form
5 to any individual requesting one.

6 If no petition is filed with the municipal clerk, as
7 hereinafter provided in this Section, within 21 days after the
8 publication of the ordinance, the ordinance shall be in effect.
9 However, if within that 21 day period a petition is filed with
10 the municipal clerk, signed by electors numbering not less than
11 15% of the number of electors voting for the mayor or president
12 at the last general municipal election, asking that the
13 question of issuing obligations using full faith and credit of
14 the municipality as security for the cost of paying for
15 economic development project costs, or of pledging such ad
16 valorem taxes for the payment of those obligations, or both, be
17 submitted to the electors of the municipality, the municipality
18 shall not be authorized to issue obligations of the
19 municipality using the full faith and credit of the
20 municipality as security or pledging such ad valorem taxes for
21 the payment of those obligations, or both, until the
22 proposition has been submitted to and approved by a majority of
23 the voters voting on the proposition at a regularly scheduled
24 election. The municipality shall certify the proposition to the
25 proper election authorities for submission in accordance with
26 the general election law.

1 The ordinance authorizing the obligations may provide that
2 the obligations shall contain a recital that they are issued
3 pursuant to this Act, which recital shall be conclusive
4 evidence of their validity and of the regularity of their
5 issuance.

6 In the event the municipality authorizes issuance of
7 obligations pursuant to this Act secured by the full faith and
8 credit of the municipality, the ordinance authorizing the
9 obligations may provide for the levy and collection of a direct
10 annual tax upon all taxable property within the municipality
11 sufficient to pay the principal thereof and interest thereon as
12 it matures, which levy may be in addition to and exclusive of
13 the maximum of all other taxes authorized to be levied by the
14 municipality, which levy, however, shall be abated to the
15 extent that monies from other sources are available for payment
16 of the obligations and the municipality certifies the amount of
17 those monies available to the county clerk.

18 A certified copy of the ordinance shall be filed with the
19 county clerk of each county in which any portion of the
20 municipality is situated, and shall constitute the authority
21 for the extension and collection of the taxes to be deposited
22 in the special tax allocation fund.

23 A municipality may also issue its obligations to refund, in
24 whole or in part, obligations theretofore issued by the
25 municipality under the authority of this Act, whether at or
26 prior to maturity. However, the last maturity of the refunding

1 obligations shall not be expressed to mature later than 38 ~~23~~
2 years from the date of the ordinance establishing the economic
3 development project area.

4 In the event a municipality issues obligations under home
5 rule powers or other legislative authority, the proceeds of
6 which are pledged to pay for economic development project
7 costs, the municipality may, if it has followed the procedures
8 in conformance with this Act, retire those obligations from
9 funds in the special tax allocation fund in amounts and in such
10 manner as if those obligations had been issued pursuant to the
11 provisions of this Act.

12 No obligations issued pursuant to this Act shall be
13 regarded as indebtedness of the municipality issuing those
14 obligations or any other taxing district for the purpose of any
15 limitation imposed by law.

16 Obligations issued pursuant to this Act shall not be
17 subject to the provisions of "An Act to authorize public
18 corporations to issue bonds, other evidences of indebtedness
19 and tax anticipation warrants subject to interest rate
20 limitations set forth therein", approved May 26, 1970, as
21 amended.

22 (Source: P.A. 86-38.)

23 (20 ILCS 620/9) (from Ch. 67 1/2, par. 1009)

24 Sec. 9. Powers of municipalities. In addition to powers
25 which it may now have, any municipality has the power under

1 this Act:

2 (a) To make and enter into all contracts necessary or
3 incidental to the implementation and furtherance of an economic
4 development plan.

5 (b) Within an economic development project area, to acquire
6 by purchase, donation, lease or eminent domain, and to own,
7 convey, lease, mortgage or dispose of land and other real or
8 personal property or rights or interests therein; and to grant
9 or acquire licenses, easements and options with respect
10 thereto, all in the manner and at such price the municipality
11 determines is reasonably necessary to achieve the objectives of
12 the economic development project. No conveyance, lease,
13 mortgage, disposition of land or other property acquired by the
14 municipality, or agreement relating to the development of
15 property, shall be made or executed except pursuant to prior
16 official action of the municipality. No conveyance, lease,
17 mortgage or other disposition of land, and no agreement
18 relating to the development of property, shall be made without
19 making public disclosure of the terms and disposition of all
20 bids and proposals submitted to the municipality in connection
21 therewith.

22 (c) To clear any area within an economic development
23 project area by demolition or removal of any existing
24 buildings, structures, fixtures, utilities or improvements,
25 and to clear and grade land.

26 (d) To install, repair, construct, reconstruct or relocate

1 public streets, public utilities, and other public site
2 improvements within or without an economic development project
3 area which are essential to the preparation of an economic
4 development project area for use in accordance with an economic
5 development plan.

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

9 (f) To construct, acquire, and operate public
10 improvements, including but not limited to, publicly-owned
11 buildings, structures, works, utilities or fixtures within any
12 economic development project area.

13 (g) To issue obligations as in this Act provided.

14 (h) To fix, charge and collect fees, rents and charges for
15 the use of any building, facility or property or any portion
16 thereof owned or leased by the municipality within an economic
17 development project area.

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

21 (j) To pay or cause to be paid economic development project
22 costs. Any payments to be made by the municipality to
23 developers or other nongovernmental persons for economic
24 development project costs incurred by such developer or other
25 nongovernmental person shall be made only pursuant to the prior
26 official action of the municipality evidencing an intent to pay

1 or cause to be paid such economic development project costs. A
2 municipality is not required to obtain any right, title or
3 interest in any real or personal property in order to pay
4 economic development project costs associated with such
5 property. The municipality shall adopt such accounting
6 procedures as may be necessary to determine that such economic
7 development project costs are properly paid.

8 (k) To exercise any and all other powers necessary to
9 effectuate the purposes of this Act.

10 (l) To create a commission of not less than 5 or more than
11 15 persons to be appointed by the mayor or president of the
12 municipality with the consent of the majority of the corporate
13 authorities of the municipality. Members of a commission shall
14 be appointed for initial terms of 1, 2, 3, 4, and 5 years,
15 respectively, in such numbers as to provide that the terms of
16 not more than 1/3 of all such members shall expire in any one
17 year. Their successors shall be appointed for a term of 5
18 years. The commission, subject to approval of the corporate
19 authorities, may exercise the powers enumerated in this
20 Section. The commission shall also have the power to hold the
21 public hearings required by this Act and make recommendations
22 to the corporate authorities concerning the approval of
23 economic development plans, the establishment of economic
24 development project areas, and the adoption of tax increment
25 allocation financing for economic development project areas.

26 (Source: P.A. 91-357, eff. 7-29-99.)

1 (20 ILCS 620/11) (from Ch. 67 1/2, par. 1011)

2 Sec. 11. Payment of project costs; revenues from municipal
3 property. Revenues received by a municipality from any
4 property, building or facility owned, leased or operated by the
5 municipality or any agency or authority established by the
6 municipality may be used to pay economic development project
7 costs, or reduce outstanding obligations of the municipality
8 incurred under this Act for economic development project costs.
9 The municipality may place those revenues in the special tax
10 allocation fund which shall be held by the municipal treasurer
11 or other person designated by the municipality. Revenue
12 received by the municipality from the sale or other disposition
13 of real or personal property or rights or interests therein
14 acquired by the municipality with the proceeds of obligations
15 funded by tax increment allocation financing may be used to
16 acquire and operate other municipal property within the
17 economic development project area or ~~shall~~ be deposited by the
18 municipality in the special tax allocation fund.

19 (Source: P.A. 86-38.)

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