

AN ACT concerning revenue.

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

Section 5. The County Economic Development Project Area Property Tax Allocation Act is amended by changing Sections 3, 7, and 8 as follows:

(55 ILCS 85/3) (from Ch. 34, par. 7003)

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

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

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

of any economic development project proposed to be undertaken, (7) a general description of any proposed developer, user, or tenant of any property to be located or improved within the economic development project area, (8) a description of the type, structure and general character of the facilities to be developed or improved in the economic development project area, (9) a description of the general land uses to apply in the economic development project area, (10) a description of the type, class and number of employees to be employed in the operation of the facilities to be developed or improved in the economic development project area and (11) a commitment by the county to fair employment practices and an affirmative action plan with respect to any economic development program to be undertaken by the county. The economic development plan for an economic development project area authorized by subsection (a-15) of Section 4 of this Act must additionally include (1) evidence indicating that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be subject to such growth and development without the assistance provided through the implementation of the economic development plan and (2) evidence that portions of the economic development project area have incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in

environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the project area.

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

(d) "Economic development project area" means any improved or vacant area which is located within the corporate limits of a county and which (1) is within the unincorporated area of such county, or, with the consent of any affected municipality, is located partially within the unincorporated area of such county and partially within one or more municipalities, (2) is contiguous, (3) is not less in the aggregate than 100 acres and, for an economic development project area authorized by subsection (a-15) of Section 4 of this Act, not more than 2,000 acres, (4) is suitable for siting by any commercial, manufacturing, industrial, research or transportation enterprise of facilities to include but not be limited to commercial businesses, offices, factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial or commercial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or transportation facilities, whether or not such area has been used at any time

for such facilities and whether or not the area has been used or is suitable for such facilities and whether or not the area has been used or is suitable for other uses, including commercial agricultural purposes, and (5) which has been certified by the Department pursuant to this Act.

(e) "Economic development project costs" means and includes the sum total of all reasonable or necessary costs incurred by a county incidental to an economic development project, including, without limitation, the following:

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

(2) Property assembly costs within an economic development project area, including but not limited to acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other non-governmental persons as reimbursement for property assembly costs incurred by such developer or other non-governmental person;

(3) Site preparation costs, including but not limited to clearance of any area within an economic development

project area by demolition or removal of any existing buildings, structures, fixtures, utilities and improvements and clearing and grading; site improvement addressing ground level or below ground environmental contamination; and including installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public site improvements within or without an economic development project area which are essential to the preparation of the economic development project area for use in accordance with an economic development plan; and specifically including payments to developers or other non-governmental persons as reimbursement for site preparation costs incurred by such developer or non-governmental person;

(4) Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements, and fixtures within an economic development project area, and specifically including payments to developers or other non-governmental persons as reimbursement for such costs incurred by such developer or non-governmental person;

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

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

necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued hereunder which accrues during the estimated period of construction of any economic development project for which such obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of such obligations;

(7) All or a portion of a taxing district's capital costs resulting from an economic development project necessarily incurred or estimated to be incurred by a taxing district in the furtherance of the objectives of an economic development project, to the extent that the county by written agreement accepts, approves and agrees to incur or to reimburse such costs;

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

(9) The estimated tax revenues from real property in an economic development project area acquired by a county which, according to the economic development plan, is to be used for a private use and which any taxing district would have received had the county not adopted property tax allocation financing for an economic development project area and which would result from such taxing district's levies made after the time of the adoption by the county of

property tax allocation financing to the time the current equalized assessed value of real property in the economic development project area exceeds the total initial equalized value of real property in that area;

(10) Costs of rebating ad valorem taxes paid by any developer or other nongovernmental person in whose name the general taxes were paid for the last preceding year on any lot, block, tract or parcel of land in the economic development project area, provided that:

(i) such economic development project area is located in an enterprise zone created pursuant to the Illinois Enterprise Zone Act; ~~beginning on the effective date of this amendatory Act of the 98th General Assembly and ending on the date occurring 3 years later,~~ compliance with this provision (i) is not required in Grundy County in relation to one or more contiguous parcels not exceeding a total area of 120 acres within which an electric generating facility is intended to be constructed and where the owner of such proposed electric generating facility has entered into a redevelopment agreement with Grundy County in respect thereto between July 25, 2013 and July 26, 2017;

(ii) such ad valorem taxes shall be rebated only in such amounts and for such tax year or years as the county and any one or more affected taxing districts

shall have agreed by prior written agreement; beginning on July 25, 2013 and ending on July 25, 2017 ~~the effective date of this amendatory Act of the 98th General Assembly and ending on the date occurring 3 years later~~, compliance with this provision (ii) is not required in Grundy County in relation to one or more contiguous parcels not exceeding a total area of 120 acres within which an electric generating facility is intended to be constructed and where the owner of such proposed electric generating facility has entered into a redevelopment agreement with Grundy County in respect thereto if the county receives approval from 2/3 of the taxing districts having taxable property within such parcels and representing no less than 75% of the aggregate tax levy for those ~~all of the affected~~ taxing districts for the levy year;

(iii) any amount of rebate of taxes shall not exceed the portion, if any, of taxes levied by the county or such taxing district or districts which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the economic development project area over and above the initial equalized assessed value of each property existing at the time property tax allocation financing was adopted for said economic development project area; and



(iv) costs of rebating ad valorem taxes shall be paid by a county solely from the special tax allocation fund established pursuant to this Act and shall be paid from the proceeds of any obligations issued by a county.

(11) Costs of job training, advanced vocational education or career education programs, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in an economic development project area, and further provided, that when such costs are incurred by a taxing district or taxing districts other than the county, they shall be set forth in a written agreement by or among the county and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section

3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20 and 10-23.3a of the School Code;

(12) Private financing costs incurred by developers or other non-governmental persons in connection with an economic development project, and specifically including payments to developers or other non-governmental persons as reimbursement for such costs incurred by such developer or other non-governmental persons provided that:

(A) private financing costs shall be paid or reimbursed by a county only pursuant to the prior official action of the county evidencing an intent to pay such private financing costs;

(B) except as provided in subparagraph (D) of this Section, the aggregate amount of such costs paid or reimbursed by a county in any one year shall not exceed 30% of such costs paid or incurred by such developer or other non-governmental person in that year;

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

(D) if there are not sufficient funds available in the special tax allocation fund in any year to make such payment or reimbursement in full, any amount of

such private financing costs remaining to be paid or reimbursed by a county shall accrue and be payable when funds are available in the special tax allocation fund to make such payment; and

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

(f) "Obligations" means any instrument evidencing the obligation of a county to pay money, including without limitation, bonds, notes, installment or financing contracts, certificates, tax anticipation warrants or notes, vouchers, and any other evidence of indebtedness.

(g) "Taxing districts" means municipalities, townships, counties, and school, road, park, sanitary, mosquito abatement, forest preserve, public health, fire protection, river conservancy, tuberculosis sanitarium and any other county corporations or districts with the power to levy taxes on real property.

(Source: P.A. 98-109, eff. 7-25-13.)

Sec. 7. Creation of special tax allocation fund. If a county has adopted property tax allocation financing by ordinance for an economic development project area, the Department has approved and certified the economic development project area, and the county clerk has thereafter certified the "total initial equalized value" of the taxable real property within such economic development project area in the manner provided in subsection (b) of Section 6 of this Act, each year after the date of the certification by the county clerk of the "initial equalized assessed value" until economic development project costs and all county obligations financing economic development project costs have been paid, the ad valorem taxes, if any, arising from the levies upon the taxable real property in the economic development project area by taxing districts and tax rates determined in the manner provided in subsection (b) of Section 6 of this Act shall be divided as follows:

(1) That portion of the taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property existing at the time property tax allocation financing was adopted shall be allocated and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by the law in the absence of the adoption of property tax allocation financing.

(2) That portion, if any, of those taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project are, over and above the initial equalized assessed value of each property existing at the time property tax allocation financing was adopted shall be allocated to and when collected shall be paid to the county treasurer, who shall deposit those taxes into a special fund called the special tax allocation fund of the county for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

The county, by an ordinance adopting property tax allocation financing, may pledge the funds in and to be deposited in the special tax allocation fund for the payment of obligations issued under this Act and for the payment of economic development project costs. No part of the current equalized assessed valuation of each property in the economic development project area attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general State school aid formula, provided for in Section 18-8 of the School Code, until such time as all economic development projects costs have been paid as provided for in this Section.

Whenever a county issues bonds for the purpose of financing economic development project costs, the county may provide by

ordinance for the appointment of a trustee, which may be any trust company within the State, and for the establishment of the funds or accounts to be maintained by such trustee as the county shall deem necessary to provide for the security and payment of the bonds. If the county provides for the appointment of a trustee, the trustee shall be considered the assignee of any payments assigned by the county pursuant to the ordinance and this Section. Any amounts paid to the trustee as assignee shall be deposited in the funds or accounts established pursuant to the trust agreement, and shall be held by the trustee in trust for the benefit of the holders of the bonds, and the holders shall have a lien on and a security interest in those bonds or accounts so long as the bonds remain outstanding and unpaid. Upon retirement of the bonds, the trustee shall pay over any excess amounts held to the county for deposit in the special tax allocation fund.

When the economic development project costs, including without limitation all county obligations financing economic development project costs incurred under this Act, have been paid, all surplus funds then remaining in the special tax allocation funds shall be distributed by being paid by the county treasurer to the county collector, who shall immediately thereafter pay those funds to the taxing districts having taxable property in the economic development project area in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real

property taxes from real property in the economic development project area.

Upon the payment of all economic development project costs, retirement of obligations and the distribution of any excess monies pursuant to this Section and not later than 23 years from the date of adoption of the ordinance adopting property tax allocation financing, the county shall adopt an ordinance dissolving the special tax allocation fund for the economic development project area and terminating the designation of the economic development project area as an economic development project area; however, in relation to one or more contiguous parcels not exceeding a total area of 120 acres within which an electric generating facility is intended to be constructed, and with respect to which the owner of that proposed electric generating facility has entered into a redevelopment agreement with Grundy County on or before July 25, 2017, the ordinance of the county required in this paragraph shall not dissolve the special tax allocation fund for the existing economic development project area and shall only terminate the designation of the economic development project area as to those portions of the economic development project area excluding the area covered by the redevelopment agreement between the owner of the proposed electric generating facility and Grundy County; the county shall adopt an ordinance dissolving the special tax allocation fund for the economic development project area and terminating the designation of the

economic development project area as an economic development project area with regard to the electric generating facility property not later than 35 years from the date of adoption of the ordinance adopting property tax allocation financing.

Thereafter the rates of the taxing districts shall be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of property tax allocation financing.

Nothing in this Section shall be construed as relieving property in economic development project areas from being assessed as provided in the Property Tax Code or as relieving owners of that property from paying a uniform rate of taxes, as required by Section 4 of Article IX of the Illinois Constitution of 1970.

(Source: P.A. 98-463, eff. 8-16-13.)

(55 ILCS 85/8) (from Ch. 34, par. 7008)

Sec. 8. Issuance of obligations for economic development project costs. Obligations secured by the special tax allocation fund provided for in Section 7 for an economic development project area may be issued to provide for economic development project costs. Those obligations, when so issued, shall be retired in the manner provided in the ordinance authorizing the issuance of the obligations by the receipts of taxes levied as specified in Section 6 against the taxable property included in the economic development project area and



by other revenues designated or pledged by the county. A county may in the ordinance pledge all or any part of the funds in and to be deposited in the special tax allocation fund created pursuant to Section 7 to the payment of the economic development project costs and obligations. Whenever a county pledges all of the funds to the credit of a special tax allocation fund to secure obligations issued or to be issued to pay economic development project costs, the county may specifically provide that funds remaining to the credit of such special tax allocation fund after the payment of such obligations shall be accounted for annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be distributed as hereinafter provided. Whenever a county pledges less than all of the monies to the credit of a special tax allocation fund to secure obligations issued or to be issued to pay economic development project costs, the county shall provide that monies to the credit of a special tax allocation fund and not subject to such pledge or otherwise encumbered or required for payment of contractual obligations for specified economic development project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be distributed as hereinafter provided. All funds to the credit of a special tax allocation fund which are deemed to be "surplus" funds shall be distributed annually within 180 days after the close of the county's fiscal year by being paid by the county treasurer to the county collector. The

county collector shall thereafter make distribution to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to those taxing districts of real property taxes from real property in the economic development project area.

Without limiting the foregoing in this Section the county may, in addition to obligations secured by the special tax allocation fund, pledge for a period not greater than the term of the obligations towards payment of those obligations any part or any combination of the following: (i) net revenues of all or part of any economic development project; (ii) taxes levied and collected on any or all property in the county, including, specifically, taxes levied or imposed by the county in a special service area pursuant to "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973; (iii) the full faith and credit of the county; (iv) a mortgage on part or all of the economic development project; or (v) any other taxes or anticipated receipts that the county may lawfully pledge.

Such obligations may be issued in one or more series bearing interest at such rate or rates as the corporate authorities of the county shall determine by ordinance, which rate or rates may be variable or fixed, without regard to any limitations contained in any law now in effect or hereafter

adopted. Such obligations shall bear such date or dates, mature at such time or times not exceeding 20 years from their respective dates, but in no event exceeding 23 years from the date of establishment of the economic development project area; however, with respect to obligations payable from incremental revenues generated from an area comprised of one or more contiguous parcels not exceeding a total area of 120 acres within which an electric generating facility is intended to be constructed, and with respect to which the owner of such proposed electric generating facility has entered into a redevelopment agreement with Grundy County on or before July 25, 2017, those obligations shall bear such date or dates, mature at such time or times not exceeding 35 years from the date of establishment of the economic development project area, be in such denomination, be in such form, whether coupon, registered or book-entry, carry such registration, conversion and exchange privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without the State of Illinois, contain such covenants, terms and conditions, be subject to redemption with or without premium, be subject to defeasance upon such terms, and have such rank or priority, as such ordinance shall provide. Obligations issued pursuant to this Act may be sold at public or private sale at such price as shall be determined by the corporate authorities of the counties. Such obligations may, but need not, be issued utilizing the provisions of any one or

more of the omnibus bond Acts specified in Section 1.33 of "An Act to revise the law in relation to the construction of the statutes", approved March 5, 1874, as such term is defined in the Statute on Statutes. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Act except as provided in this Section.

In the event the county (i) authorizes the issuance of obligations pursuant to the authority of this Act and secured by the full faith and credit of the county or (ii) pledges taxes levied and collected on any or all property in the county, which obligations or taxes are not obligations or taxes authorized under home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970, or are not obligations or taxes authorized under "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, the ordinance authorizing the issuance of those obligations or pledging those taxes shall be published within 10 days after the ordinance has been adopted, in one or more newspapers having a general circulation within the county. The publication of the ordinance shall be accompanied by a notice of (1) the specific number of voters required to sign a petition requesting the questions of the issuance of the obligations or pledging ad valorem taxes to be submitted to the electors; (2) the time within which the petition must be filed;

and (3) the date of the prospective referendum. The county clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the county clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21 day period a petition is filed with the county clerk, signed by electors numbering not less than 5% of the number of legal voters who voted at the last general election in such county, asking that the question of issuing obligations using the full faith and credit of the county as security for the cost of paying for economic development project costs, or of pledging ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the county, the county shall not be authorized to issue obligations of the county using the full faith and credit of the county as security or pledging ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The county shall certify the proposition to the proper election authorities for submission in accordance with the general election law.

The ordinance authorizing the obligations may provide that the obligations shall contain a recital that they are issued pursuant to this Act, which recital shall be conclusive

evidence of their validity and of the regularity of their issuance.

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

A certified copy of the ordinance shall be filed with the county clerk and shall constitute the authority for the extension and collection of the taxes to be deposited in the special tax allocation fund.

A county may also issue its obligations to refund, in whole or in part, obligations theretofore issued by the county under the authority of this Act, whether at or prior to maturity. However, the last maturity of the refunding obligations shall not be expressed to mature later than 23 years from the date of the ordinance establishing the economic development project area, however, with regard to obligations payable from incremental revenues generated from an area comprised of one or

more contiguous parcels not exceeding a total area of 120 acres within which an electric generating facility is intended to be constructed, and with respect to which the owner of that proposed electric generating facility has entered into a redevelopment agreement with Grundy County on or before July 25, 2017, the last maturity of the refunding obligations shall not be expressed to mature later than 35 years from the date of the ordinance establishing the economic development project area.

In the event a county issues obligations under home rule powers and other legislative authority, including specifically, "An Act to provide the manner of levying or imposing taxes for the provisions of special services to areas within the boundaries of home rule units and non-home rule municipalities and counties", approved September 21, 1973, the proceeds of which are pledged to pay for economic development project costs, the county may, if it has followed the procedures in conformance with this Act, retire those obligations from funds in the special tax allocation fund in amount and in such manner as if those obligations had been issued pursuant to the provisions of this Act.

No obligations issued pursuant to this Act shall be regarded as indebtedness of the county issuing those obligations for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Act shall not be subject to the provisions of the Bond Authorization Act.

Public Act 099-0513

HB0694 Enrolled

LRB099 04504 HLH 24532 b

(Source: P.A. 90-655, eff. 7-30-98.)

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