

AN ACT concerning revenue.

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

Section 5. The Property Tax Code is amended by changing Sections 27-5 and 27-25 and by adding Sections 27-100, 27-105, 27-110, 27-115, 27-120, and 27-125 as follows:

(35 ILCS 200/27-5)

Sec. 27-5. Short title; definitions. This Article may be cited as the Special Service Area Tax Law.

When used in this Article:

"Services contract" means an agreement between a service provider agency and a municipality or county for the purpose of providing special services in and for a special service area.

"Service provider agency" means an entity that enters into a services contract with a municipality or county for the purpose of providing special services in and for a special service area.

"Special Service Area" means a contiguous area within a municipality or county in which special governmental services are provided in addition to those services provided generally throughout the municipality or county, the cost of the special services to be paid from revenues collected from taxes levied or imposed upon property within that area. Territory shall be

considered contiguous for purposes of this Article even though certain completely surrounded portions of the territory are excluded from the special service area. A county may create a special service area within a municipality or municipalities when the municipality or municipalities consent to the creation of the special service area. A municipality may create a special service area within a municipality and the unincorporated area of a county or within another municipality when the county or other municipality consents to the creation of the special service area.

"Special service area commission" means a local board established by the corporate authorities of a municipality or county for the purpose of managing a particular special service area.

"Special Services" means all forms of services pertaining to the government and affairs of the municipality or county, including but not limited to weather modification and improvements permissible under Article 9 of the Illinois Municipal Code, and contracts for the supply of water as described in Section 11-124-1 of the Illinois Municipal Code which may be entered into by the municipality or by the county on behalf of a county service area.

(Source: P.A. 86-1324; 88-445.)

(35 ILCS 200/27-25)

Sec. 27-25. Form of hearing notice. Taxes may be levied or

imposed by the municipality or county in the special service area at a rate or amount of tax sufficient to produce revenues required to provide the special services. Prior to the first levy of taxes in the special service area, notice shall be given and a hearing shall be held under the provisions of Sections 27-30 and 27-35. For purposes of this Section the notice shall include:

(a) The time and place of hearing;

(b) The boundaries of the area by legal description and, where possible, by street location;

(c) The permanent tax index number of each parcel located within the area;

(d) The nature of the proposed special services to be provided within the special service area and a statement as to whether the proposed special services are for new construction, maintenance, or other purposes;

(d-5) The proposed amount of the tax levy for special services for the initial year for which taxes will be levied within the special service area;

(e) A notification that all interested persons, including all persons owning taxable real property located within the special service area, will be given an opportunity to be heard at the hearing regarding the tax levy and an opportunity to file objections to the amount of the tax levy if the tax is a tax upon property; ~~and~~

(f) The maximum rate of taxes to be extended within the

special service area in any year and the maximum number of years taxes will be levied if a maximum number of years is to be established; and -

(g) If funds received through the special service area are going to be used by a person or entity other than the municipality or county, then a statement to that effect.

After the first levy of taxes within the special service area, taxes may continue to be levied in subsequent years without the requirement of an additional public hearing if the tax rate does not exceed the rate specified in the notice for the original public hearing and the taxes are not extended for a longer period than the number of years specified in the notice if a number of years is specified. Tax rates may be increased and the period specified may be extended, if notice is given and new public hearings are held in accordance with Sections 27-30 and 27-35.

(Source: P.A. 97-1053, eff. 1-1-13.)

(35 ILCS 200/27-100 new)

Sec. 27-100. Special service area commissions.

(a) Notwithstanding any other provision of law, no member of a special service area commission may be an executive officer, owner, or member of the board of directors of the service provider agency selected for a services contract for that special service area.

(b) Notwithstanding any other provision of law, no business

owned by a member of a special service area commission may, for valuable consideration, provide goods or services as a subcontractor of a service provider agency pursuant to a services contract for the special service area that is the subject of that special service area commission. No business owned by an employee or elected official of a municipality may, for valuable consideration, provide goods or services as a subcontractor of a service provider agency pursuant to a services contract for any special service area located within that municipality.

(c) At least one membership position for a special service area commission in a special service area which contains one or more homestead properties, as defined in Section 15-175, shall be reserved as a first priority membership position for any owner of homestead property located within such special service area.

(35 ILCS 200/27-105 new)

Sec. 27-105. Lines of credit. Special service area commissions may not establish a loan or line of credit in connection with the special service area. Service provider agencies in those municipalities may establish a loan or line of credit in connection with the special service area; however, financing under this Section may not be secured by future tax revenue generated by the special service area.

(35 ILCS 200/27-110 new)

Sec. 27-110. Special service area moneys used in the next fiscal year. Notwithstanding any other provision of law, if there is excess money remaining in a special service area fund at the end of a fiscal year, then the corporate authorities may authorize the use of that excess money to provide special services within the special service area in the next fiscal year, provided that the total amount used for purposes other than capital expenditures may not exceed 25% of the previous fiscal year's budget for the special service area.

(35 ILCS 200/27-115 new)

Sec. 27-115. Special service area audits. Each special service area commission shall cause an audit of the funds and accounts of the special service area to be submitted to the corporate authorities of the municipality at least annually. The audit shall be made in accordance with generally accepted auditing standards.

(35 ILCS 200/27-120 new)

Sec. 27-120. Exclusion of erroneously included property. If a property is determined by the corporate authorities of the municipality to be erroneously included in a special service area, the corporate authorities of the municipality may disconnect that property from the special service area solely by municipal action without regard to Section 27-60 or Section

27-65 of this Act.

(35 ILCS 200/27-125 new)

Sec. 27-125. Administrative fees. Notwithstanding any other provision of law, an annual administrative fee may be charged for the administration of a special service area. Such annual administrative fee may be derived from the annual tax levy for each special service area. Any amount recommended by a special service area commission and approved as an administrative expense which may be paid to the service provider agency pursuant to the budget included in a services contract shall not exceed 30% of the annual tax levy for the special service area that is the subject of such services contract and is separate from any municipal administrative fee.

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