



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0342

by Rep. David McSweeney

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-7

from Ch. 24, par. 11-74.4-7

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that all obligations issued by a non-home rule municipality in connection with the Tax Increment Allocation Redevelopment Act (instead of TIF obligations secured by the full faith and credit of the municipality) are subject to a backdoor referendum. Provides that a petition calling for a referendum on the issuance of those bonds shall be filed within 45 (instead of 30) days after the publication of the ordinance. Makes changes concerning the signature requirement for those petitions. Effective immediately.

LRB100 04321 AWJ 14327 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-7 as follows:

6 (65 ILCS 5/11-74.4-7) (from Ch. 24, par. 11-74.4-7)

7 Sec. 11-74.4-7. Obligations secured by the special tax
8 allocation fund set forth in Section 11-74.4-8 for the
9 redevelopment project area may be issued to provide for
10 redevelopment project costs. Such obligations, when so issued,
11 shall be retired in the manner provided in the ordinance
12 authorizing the issuance of such obligations by the receipts of
13 taxes levied as specified in Section 11-74.4-9 against the
14 taxable property included in the area, by revenues as specified
15 by Section 11-74.4-8a and other revenue designated by the
16 municipality. A municipality may in the ordinance pledge all or
17 any part of the funds in and to be deposited in the special tax
18 allocation fund created pursuant to Section 11-74.4-8 to the
19 payment of the redevelopment project costs and obligations. Any
20 pledge of funds in the special tax allocation fund shall
21 provide for distribution to the taxing districts and to the
22 Illinois Department of Revenue of moneys not required, pledged,
23 earmarked, or otherwise designated for payment and securing of

1 the obligations and anticipated redevelopment project costs
2 and such excess funds shall be calculated annually and deemed
3 to be "surplus" funds. In the event a municipality only applies
4 or pledges a portion of the funds in the special tax allocation
5 fund for the payment or securing of anticipated redevelopment
6 project costs or of obligations, any such funds remaining in
7 the special tax allocation fund after complying with the
8 requirements of the application or pledge, shall also be
9 calculated annually and deemed "surplus" funds. All surplus
10 funds in the special tax allocation fund shall be distributed
11 annually within 180 days after the close of the municipality's
12 fiscal year by being paid by the municipal treasurer to the
13 County Collector, to the Department of Revenue and to the
14 municipality in direct proportion to the tax incremental
15 revenue received as a result of an increase in the equalized
16 assessed value of property in the redevelopment project area,
17 tax incremental revenue received from the State and tax
18 incremental revenue received from the municipality, but not to
19 exceed as to each such source the total incremental revenue
20 received from that source. The County Collector shall
21 thereafter make distribution to the respective taxing
22 districts in the same manner and proportion as the most recent
23 distribution by the county collector to the affected districts
24 of real property taxes from real property in the redevelopment
25 project area.

26 Without limiting the foregoing in this Section, the

1 municipality may in addition to obligations secured by the
2 special tax allocation fund pledge for a period not greater
3 than the term of the obligations towards payment of such
4 obligations any part or any combination of the following: (a)
5 net revenues of all or part of any redevelopment project; (b)
6 taxes levied and collected on any or all property in the
7 municipality; (c) the full faith and credit of the
8 municipality; (d) a mortgage on part or all of the
9 redevelopment project; or (e) any other taxes or anticipated
10 receipts that the municipality may lawfully pledge.

11 Such obligations may be issued in one or more series
12 bearing interest at such rate or rates as the corporate
13 authorities of the municipality shall determine by ordinance.
14 Such obligations shall bear such date or dates, mature at such
15 time or times not exceeding 20 years from their respective
16 dates, be in such denomination, carry such registration
17 privileges, be executed in such manner, be payable in such
18 medium of payment at such place or places, contain such
19 covenants, terms and conditions, and be subject to redemption
20 as such ordinance shall provide. Obligations issued pursuant to
21 this Act may be sold at public or private sale at such price as
22 shall be determined by the corporate authorities of the
23 municipalities. No referendum approval of the electors shall be
24 required as a condition to the issuance of obligations pursuant
25 to this Division except as provided in this Section.

26 In the event the municipality authorizes issuance of

1 obligations pursuant to the authority of this Division, ~~secured~~
2 ~~by the full faith and credit of the municipality, which~~
3 ~~obligations are~~ other than obligations which may be issued
4 under home rule powers provided by Article VII, Section 6 of
5 the Illinois Constitution, ~~or pledges taxes pursuant to (b) or~~
6 ~~(c) of the second paragraph of this section,~~ the ordinance
7 authorizing the issuance of such obligations or pledging such
8 taxes shall be published within 10 days after such ordinance
9 has been passed in one or more newspapers, with general
10 circulation within such municipality. The publication of the
11 ordinance shall be accompanied by a notice of (1) the specific
12 number of voters required to sign a petition requesting the
13 question of the issuance of such obligations or pledging taxes
14 to be submitted to the electors; (2) the time in which such
15 petition must be filed; and (3) the date of the prospective
16 referendum. The municipal clerk shall provide a petition form
17 to any individual requesting one.

18 If no petition is filed with the municipal clerk, as
19 hereinafter provided in this Section, within 45 ~~30~~ days after
20 the publication of the ordinance, the ordinance shall be in
21 effect. But, if within that 45 ~~30~~ day period a petition is
22 filed with the municipal clerk, signed by electors in the
23 municipality numbering the greater of (i) 7.5% of the 10% or
24 ~~more of the number of~~ registered voters in the municipality; or
25 (ii) the lesser of 200 of the registered voters or 15% of the
26 registered voters, asking that the question of issuing

1 obligations ~~using full faith and credit of the municipality as~~
2 ~~security for the cost of paying for redevelopment project~~
3 ~~costs, or of pledging taxes for the payment of such~~
4 ~~obligations, or both,~~ be submitted to the electors of the
5 municipality, the corporate authorities of the municipality
6 shall call a special election in the manner provided by law to
7 vote upon that question, or, if a general, State or municipal
8 election is to be held within a period of not less than 30 or
9 more than 90 days from the date such petition is filed, shall
10 submit the question at the next general, State or municipal
11 election. If it appears upon the canvass of the election by the
12 corporate authorities that a majority of electors voting upon
13 the question voted in favor thereof, the ordinance shall be in
14 effect, but if a majority of the electors voting upon the
15 question are not in favor thereof, the ordinance shall not take
16 effect.

17 The ordinance authorizing the obligations may provide that
18 the obligations shall contain a recital that they are issued
19 pursuant to this Division, which recital shall be conclusive
20 evidence of their validity and of the regularity of their
21 issuance.

22 In the event the municipality authorizes issuance of
23 obligations pursuant to this Section secured by the full faith
24 and credit of the municipality, the ordinance authorizing the
25 obligations may provide for the levy and collection of a direct
26 annual tax upon all taxable property within the municipality

1 sufficient to pay the principal thereof and interest thereon as
2 it matures, which levy may be in addition to and exclusive of
3 the maximum of all other taxes authorized to be levied by the
4 municipality, which levy, however, shall be abated to the
5 extent that monies from other sources are available for payment
6 of the obligations and the municipality certifies the amount of
7 said monies available to the county clerk.

8 A certified copy of such ordinance shall be filed with the
9 county clerk of each county in which any portion of the
10 municipality is situated, and shall constitute the authority
11 for the extension and collection of the taxes to be deposited
12 in the special tax allocation fund.

13 A municipality may also issue its obligations to refund in
14 whole or in part, obligations theretofore issued by such
15 municipality under the authority of this Act, whether at or
16 prior to maturity, provided however, that the last maturity of
17 the refunding obligations may not be later than the dates set
18 forth under Section 11-74.4-3.5.

19 In the event a municipality issues obligations under home
20 rule powers or other legislative authority the proceeds of
21 which are pledged to pay for redevelopment project costs, the
22 municipality may, if it has followed the procedures in
23 conformance with this division, retire said obligations from
24 funds in the special tax allocation fund in amounts and in such
25 manner as if such obligations had been issued pursuant to the
26 provisions of this division.

1 All obligations heretofore or hereafter issued pursuant to
2 this Act shall not be regarded as indebtedness of the
3 municipality issuing such obligations or any other taxing
4 district for the purpose of any limitation imposed by law.

5 The referendum changes made by this amendatory Act of the
6 100th General Assembly apply only to ordinances adopted on or
7 after the effective date of this amendatory Act of the 100th
8 General Assembly.

9 (Source: P.A. 95-15, eff. 7-16-07; 95-164, eff. 1-1-08; 95-331,
10 eff. 8-21-07; 95-346, eff. 8-21-07; 95-459, eff. 8-27-07;
11 95-653, eff. 1-1-08; 95-662, eff. 10-11-07; 95-683, eff.
12 10-19-07; 95-709, eff. 1-29-08; 95-876, eff. 8-21-08; 95-932,
13 eff. 8-26-08; 95-964, eff. 9-23-08; 95-977, eff. 9-22-08;
14 95-1028, eff. 8-25-09 (see Section 5 of P.A. 96-717 for the
15 effective date of changes made by P.A. 95-1028); 96-328, eff.
16 8-11-09; 96-1000, eff. 7-2-10.)

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