



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0649

Introduced 1/25/2017, by Sen. Michael Connelly

SYNOPSIS AS INTRODUCED:

See Index

Amends the Special Service Area Tax Law in the Property Tax Code. Defines "service provider agency" and "special service area commission". Provides that a list of the names and addresses of the individuals and entities receiving a mailed notice of the public hearing concerning the establishment of a special service area shall be published at the time notice is given and shall be available at the public hearing. Provides that no special service area may be created or enlarged; no special service area tax may be levied, imposed, or increased; and no bonds may be issued in connection with a special service area, unless an authorization petition is filed with the municipal clerk or county clerk. Provides that no member of a special service area commission may be an owner or board member of the service provider agency selected for that special service area. Provides that no business owned by a member of a special service area commission or an employee of the municipality may provide goods or services in connection with the special service area. Provides that at least one member of the special service area commission shall be an owner of homestead property located within the special service area. Provides that special service area commissions may not establish a loan or line of credit in connection with the special service area. Provides that special service area commissions shall submit an audit of the special service area to the corporate authorities of the municipality at least annually. Contains provisions concerning the expiration of special service areas. Preempts home rule powers. Effective immediately.

LRB100 07067 HLH 17121 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Property Tax Code is amended by changing
5 Sections 27-5, 27-25, 27-30, 27-55, 27-100, 27-105, 27-110,
6 27-115, 27-120, and 27-125 as follows:

7 (35 ILCS 200/27-5)

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

10 When used in this Article:

11 "Service Provider Agency" means a local non-profit entity
12 that enters into a contract with the municipality or county for
13 the purpose of managing a special service area.

14 "Special Service Area" means a contiguous area within a
15 municipality or county in which special governmental services
16 are provided in addition to those services provided generally
17 throughout the municipality or county, the cost of the special
18 services to be paid from revenues collected from taxes levied
19 or imposed upon property within that area. Territory shall be
20 considered contiguous for purposes of this Article even though
21 certain completely surrounded portions of the territory are
22 excluded from the special service area. A county may create a
23 special service area within a municipality or municipalities

1 when the municipality or municipalities consent to the creation
2 of the special service area. A municipality may create a
3 special service area within a municipality and the
4 unincorporated area of a county or within another municipality
5 when the county or other municipality consents to the creation
6 of the special service area.

7 "Special Service Area Commission" means a local board
8 established by the corporate authorities of a municipality or
9 county for the purpose of overseeing a particular special
10 service area.

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

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

20 (35 ILCS 200/27-25)

21 Sec. 27-25. Form of hearing notice. Taxes may be levied or
22 imposed by the municipality or county in the special service
23 area at a rate or amount of tax sufficient to produce revenues
24 required to provide the special services. Prior to the first
25 levy of taxes in the special service area, notice shall be

1 given and a hearing shall be held under the provisions of
2 Sections 27-30 and 27-35. For purposes of this Section the
3 notice shall include:

4 (a) The time and place of hearing;

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

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

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

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

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

22 (f) The maximum rate of taxes to be extended within the
23 special service area in any year and the maximum number of
24 years taxes will be levied if a maximum number of years is
25 to be established; and -

26 (g) If funds received through the special service area

1 are going to be used by a person or entity other than the
2 municipality or county, then the notice must include a
3 statement to that effect.

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

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

15 (35 ILCS 200/27-30)

16 Sec. 27-30. Manner of notice. Prior to or within 60 days
17 after the adoption of the ordinance proposing the establishment
18 of a special service area the municipality or county shall fix
19 a time and a place for a public hearing. The public hearing
20 shall be held not less than 60 days after the adoption of the
21 ordinance proposing the establishment of a special service
22 area. Notice of the hearing shall be given by publication and
23 mailing, except that notice of a public hearing to propose the
24 establishment of a special service area for weather
25 modification purposes may be given by publication only. Notice

1 by publication shall be given by publication at least once not
2 less than 15 days prior to the hearing in a newspaper of
3 general circulation within the municipality or county. Notice
4 by mailing shall be given by depositing the notice in the
5 United States mails addressed to the person or persons in whose
6 name the general taxes for the last preceding year were paid on
7 each property lying within the special service area. A notice
8 shall be mailed not less than 10 days prior to the time set for
9 the public hearing. In the event taxes for the last preceding
10 year were not paid, the notice shall be sent to the person last
11 listed on the tax rolls prior to that year as the owner of the
12 property. A list of the names and addresses of the individuals
13 and entities to whom the notice will be sent by mail shall be
14 published at the time notice is given and shall be available at
15 the public hearing.

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

17 (35 ILCS 200/27-55)

18 Sec. 27-55. Authorization ~~Objection~~ petition.
19 Notwithstanding any other provision of law, on and after the
20 effective date of this amendatory Act of the 100th General
21 Assembly, no special service area may be created or enlarged;
22 no special service area tax may be levied, imposed, or
23 increased; and no bonds may be issued for the provision of
24 special services within the area, unless ~~if~~ a petition signed
25 by at least 51% of the taxpayers of record of all property

1 ~~electors residing~~ within the special service area or ~~and~~ by at
2 least 51% of the taxpayers ~~owners~~ of record of the land
3 included within the boundaries of the special service area is
4 filed with the municipal clerk or county clerk, as the case may
5 be, authorizing ~~within 60 days following the final adjournment~~
6 ~~of the public hearing, objecting to~~ the creation of the special
7 service district, the enlargement of the area, the levy or
8 imposition of a tax or the issuance of bonds for the provision
9 of special services to the area, or to a proposed increase in
10 the tax rate, as the case may be. The petition must be filed
11 within 60 days following the final adjournment of the public
12 hearing. Only one taxpayer of record may sign an authorization
13 petition for any single property index number within the
14 proposed special service area. For the purposes of signing the
15 petition, "taxpayer of record" means either (i) any person in
16 whose name the general taxes for the last preceding year were
17 paid, as demonstrated by a copy of the tax bill or
18 documentation from the assessor or clerk, or (ii) any person in
19 whose name title is held, as demonstrated by a copy of the last
20 recorded deed to the property. Any authorized agent may sign a
21 petition on behalf of an entity, and that person's
22 certification of his or her authority to sign shall be
23 presumptive evidence of his or her authority to sign. A
24 beneficiary of a land trust may sign the petition with respect
25 to the property held by that land trust, and that person's
26 certification that he or she is a beneficiary shall be

1 presumptive evidence of his or her authorization to sign.
2 ~~Taxpayers, the district shall not be created or enlarged, or~~
3 ~~the tax shall not be levied or imposed nor the rate increased,~~
4 ~~or no bonds may be issued. The subject matter of the petition~~
5 ~~shall not be proposed relative to any signatories of the~~
6 ~~petition within the next 2 years. Each resident of the special~~
7 ~~service area registered to vote at the time of the public~~
8 ~~hearing held with regard to the special service area shall be~~
9 ~~considered an elector. Each person in whose name legal title to~~
10 ~~land included within the boundaries of the special service area~~
11 ~~is held according to the records of the county in which the~~
12 ~~land is located shall be considered an owner of record. Owners~~
13 ~~of record shall be determined at the time of the public hearing~~
14 ~~held with regard to a special service area. Land owned in the~~
15 ~~name of a land trust, corporation, estate or partnership shall~~
16 ~~be considered to have a single owner of record.~~

17 (Source: P.A. 82-640; 88-455.)

18 (35 ILCS 200/27-100 new)

19 Sec. 27-100. Special service area commissions.

20 (a) Notwithstanding any other provision of law, no member
21 of a special service area commission may be an owner or board
22 member of the service provider agency selected for that special
23 service area.

24 (b) Notwithstanding any other provision of law, no business
25 owned by a member of a special service area commission or an

1 employee of the municipality may, for valuable consideration,
2 provide goods or services in connection with the special
3 service area.

4 (c) Notwithstanding any other provision of law, with
5 respect to special service area commissions established on or
6 after the effective date of this amendatory Act of the 100th
7 General Assembly, at least one member of the special service
8 area commission shall be an owner of homestead property, as
9 defined in Section 15-175, located within the special service
10 area.

11 (d) This Section is a limitation under subsection (i) of
12 Section 6 of Article VII of the Illinois Constitution on the
13 concurrent exercise by home rule units of powers and functions
14 exercised by the State.

15 (35 ILCS 200/27-105 new)

16 Sec. 27-105. Lines of credit. Special service area
17 commissions may not establish a loan or line of credit in
18 connection with the special service area. Service provider
19 agencies in those municipalities may establish a loan or line
20 of credit in connection with the special service area; however,
21 financing under this Section may not be secured by future tax
22 revenue generated by the special service area. This Section is
23 a limitation under subsection (i) of Section 6 of Article VII
24 of the Illinois Constitution on the concurrent exercise by home
25 rule units of powers and functions exercised by the State.

1 (35 ILCS 200/27-110 new)

2 Sec. 27-110. Special service area moneys used in the next
3 fiscal year. Notwithstanding any other provision of law, if
4 there is excess money remaining in a special service area fund
5 at the end of a fiscal year, then the corporate authorities may
6 use that excess money to provide special services within the
7 special service area in the next fiscal year, provided that the
8 total amount used for purposes other than capital expenditures
9 may not exceed 25% of the previous fiscal year's budget for the
10 special service area. This Section is a limitation under
11 subsection (i) of Section 6 of Article VII of the Illinois
12 Constitution on the concurrent exercise by home rule units of
13 powers and functions exercised by the State.

14 (35 ILCS 200/27-115 new)

15 Sec. 27-115. Special service area audits. Each special
16 service area commission shall cause an audit of the funds and
17 accounts of the special service area to be submitted to the
18 corporate authorities of the municipality at least annually.
19 The audit shall be made in accordance with generally accepted
20 auditing standards. This Section is a limitation under
21 subsection (i) of Section 6 of Article VII of the Illinois
22 Constitution on the concurrent exercise by home rule units of
23 powers and functions exercised by the State.

1 (35 ILCS 200/27-120 new)

2 Sec. 27-120. Terms of special service areas.
3 Notwithstanding any other provision of law, each special
4 service area established on or after the effective date of this
5 amendatory Act of the 100th General Assembly shall expire on
6 December 31 of the tenth levy year after the special service
7 area takes effect, unless an earlier date is specified in the
8 ordinance proposing the establishment of the special service
9 area. A special service area established on or after the
10 effective date of this amendatory Act of the 100th General
11 Assembly may be renewed once for an additional period of not
12 more than 15 years if a petition proposing the extension signed
13 by at least 20% of the electors residing within the special
14 service area and by at least 20% of the owners of record of the
15 land included within the boundaries of the special service area
16 is filed with the municipal clerk not less than 60 days prior
17 to expiration of the special service area. This Section is a
18 limitation under subsection (i) of Section 6 of Article VII of
19 the Illinois Constitution on the concurrent exercise by home
20 rule units of powers and functions exercised by the State.

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

1 INDEX

2 Statutes amended in order of appearance

3 35 ILCS 200/27-5

4 35 ILCS 200/27-25

5 35 ILCS 200/27-30

6 35 ILCS 200/27-55

7 35 ILCS 200/27-100 new

8 35 ILCS 200/27-105 new

9 35 ILCS 200/27-110 new

10 35 ILCS 200/27-115 new

11 35 ILCS 200/27-120 new