



Rep. Sara Feigenholtz

Filed: 3/31/2016

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LRB099 04279 HLH 46838 a

1 AMENDMENT TO HOUSE BILL 1384

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1384 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing  
5 Sections 27-5 and 27-93 and by adding Sections 27-100, 27-105,  
6 27-110, 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 "Services contract" means an agreement between a service  
12 provider agency and a municipality or county for the purpose of  
13 providing special services in and for a special service area.

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

1 service area.

2 "Special Service Area" means a contiguous area within a  
3 municipality or county in which special governmental services  
4 are provided in addition to those services provided generally  
5 throughout the municipality or county, the cost of the special  
6 services to be paid from revenues collected from taxes levied  
7 or imposed upon property within that area. Territory shall be  
8 considered contiguous for purposes of this Article even though  
9 certain completely surrounded portions of the territory are  
10 excluded from the special service area. A county may create a  
11 special service area within a municipality or municipalities  
12 when the municipality or municipalities consent to the creation  
13 of the special service area. A municipality may create a  
14 special service area within a municipality and the  
15 unincorporated area of a county or within another municipality  
16 when the county or other municipality consents to the creation  
17 of the special service area.

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

22 "Special Services" means all forms of services pertaining  
23 to the government and affairs of the municipality or county,  
24 including but not limited to weather modification and  
25 improvements permissible under Article 9 of the Illinois  
26 Municipal Code, and contracts for the supply of water as

1 described in Section 11-124-1 of the Illinois Municipal Code  
2 which may be entered into by the municipality or by the county  
3 on behalf of a county service area.

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

5 (35 ILCS 200/27-93)

6 Sec. 27-93. Refunds; special service area fund. If the  
7 corporate authorities determine that excess revenues exist in a  
8 special service area fund at the end of the life of the special  
9 service area and if the option to abate a portion of the final  
10 tax levy for the special service area is no longer available,  
11 then the excess funds must be refunded to the taxpayers of  
12 record for all parcels within the special service area, as of  
13 the date the refund is declared, on a pro rata basis based upon  
14 each parcel's proportionate share of the total equalized  
15 assessed valuation of all parcels within the special service  
16 area. In processing the refund, the county or municipality may  
17 deduct not more than 5% of the amount declared to be refunded  
18 to cover its costs and expenses relative to declaring and  
19 making the refund.

20 Notwithstanding any other provision of law, including, but  
21 not limited to, this Section, the corporate authorities may  
22 reappropriate and expend for any municipal purpose all funds  
23 attributable to special service area tax revenue which remain  
24 unexpended upon the expiration of a special service area if the  
25 corporate authorities deem a refund of those unexpended funds

1 to be impracticable.

2 (Source: P.A. 92-226, eff. 1-1-02.)

3 (35 ILCS 200/27-100 new)

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

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

10 (b) Notwithstanding any other provision of law, no business  
11 owned by a member of a special service area commission may, for  
12 valuable consideration, provide goods or services as a  
13 subcontractor of a service provider agency pursuant to a  
14 services contract for the special service area that is the  
15 subject of that special service area commission. No business  
16 owned by an employee or elected official of a municipality may,  
17 for valuable consideration, provide goods or services as a  
18 subcontractor of a service provider agency pursuant to a  
19 services contract for any special service area located within  
20 that municipality.

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

1 area.

2 (35 ILCS 200/27-105 new)

3 Sec. 27-105. Lines of credit. Special service area  
4 commissions may not establish loans or lines of credit in  
5 connection with the special service area. Service provider  
6 agencies in those municipalities may establish loans or lines  
7 of credit in connection with the special service area; however,  
8 financing under this Section may not be secured by future tax  
9 revenue generated by the special service area.

10 (35 ILCS 200/27-110 new)

11 Sec. 27-110. Special service area moneys used in the next  
12 fiscal year. Notwithstanding any other provision of law, if  
13 there is excess money remaining in a special service area fund  
14 at the end of a fiscal year, then the corporate authorities may  
15 authorize the use of that excess money to provide special  
16 services within the special service area in the next fiscal  
17 year.

18 (35 ILCS 200/27-115 new)

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

1 auditing standards.

2 (35 ILCS 200/27-120 new)

3 Sec. 27-120. Exclusion of erroneously included property.

4 If a property is determined by the corporate authorities of the  
5 municipality to be erroneously included in a special service  
6 area, the corporate authorities of the municipality may  
7 disconnect the property from the special service area by  
8 adopting an ordinance to that effect without regard to Section  
9 27-60 or Section 27-65 of this Code.

10 (35 ILCS 200/27-125 new)

11 Sec. 27-125. Administrative fees. Notwithstanding any  
12 other provision of law, each municipality may charge an annual  
13 administrative fee for such municipality in connection with the  
14 administration of each special service area within its  
15 jurisdiction. Such annual administrative fee may be derived  
16 from the annual tax levy for each special service area. Any  
17 amount recommended by a special service area commission and  
18 approved by such municipalities as administrative expenses  
19 which may be paid to the service provider agency pursuant to  
20 the budget included in a services contract shall not exceed 20%  
21 of the annual tax levy for the special service area which is  
22 the subject of such services contract."