

# SB1354



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1354

Introduced 1/28/2025, by Sen. Michael E. Hastings

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Tax Increment Financing and Zoning Ethics and Political Contributions Prohibition Act. Prohibits certain political contributions from those who receive a benefit from a TIF district or a benefit from a zoning variance. Requires corporate disclosure of directors, employees, investors, and family who receive a benefit from a TIF district or a benefit from a zoning variance. Establishes penalties for violations. Exempts certain unrelated persons and unrelated contributions. Defines terms. Effective September 1, 2025.

LRB104 07863 BDA 17909 b

A BILL FOR

1 AN ACT concerning ethics.

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

4 Section 1. Short title. This Act may be cited as the Tax  
5 Increment Financing and Zoning Ethics and Political  
6 Contributions Prohibition Act.

7 Section 5. Purpose. The purpose of this Act is to promote  
8 transparency, prevent conflicts of interest, and protect the  
9 integrity of the democratic process by prohibiting directors,  
10 employees, investors, and their immediate family members from  
11 making political contributions to candidates, political  
12 organizations, political action committees (PACs), or  
13 independent expenditure committees associated with taxing  
14 districts that benefit from tax increment financing (TIF)  
15 districts and zoning variances. This prohibition aims to  
16 ensure that political donations are not influenced by  
17 financial or other interests derived from public funds, TIFs,  
18 or zoning decisions.

19 Section 10. Definitions. In this Act:

20 "Benefit from a TIF district" means a financial or other  
21 material benefit from a TIF district, including, but not  
22 limited to, grants, loans, tax rebates, property tax

1 abatements, infrastructure improvements, or other funding from  
2 a TIF district.

3 "Benefit from a zoning variance" means permission to use  
4 or develop land in a manner not permitted under existing  
5 zoning laws, which may include the ability to increase  
6 property value, increase development potential, or receive  
7 other benefits from the zoning variance decision.

8 "Director" means an individual serving as a director or  
9 officer or in a similar position in any corporation,  
10 organization, or entity receiving a benefit from a TIF  
11 district or a benefit from a zoning variance.

12 "Employee" means an individual employed by a corporation,  
13 organization, or entity receiving a benefit from a TIF  
14 district or a benefit from a zoning variance, including  
15 full-time, part-time, and contractual employees.

16 "Immediate family member" means a spouse, child, parent,  
17 sibling, or any other relative residing in the same household  
18 as the individual.

19 "Independent expenditure" has the meaning ascribed to that  
20 term in 11 CFR 100.16.

21 "Independent expenditure committee" or "IEC" means one or  
22 more persons that make independent expenditures or that  
23 collect funds from one or more persons for the purpose of  
24 making an independent expenditure.

25 "Investor" means any individual or entity who holds  
26 ownership, equity interest, or shares in a corporation,

1 organization, or entity receiving a benefit from a TIF  
2 district or a benefit from a zoning variance.

3 "Political action committee" or "PAC" means a tax-exempt  
4 organization (i) that is organized under Section 527 of the  
5 U.S. Internal Revenue Code, (ii) that is created primarily to  
6 influence the selection, nomination, election, appointment or  
7 defeat of candidates to federal, state or local public office,  
8 and (iii) that pools campaign contributions from members and  
9 donates those funds to campaigns for or against candidates,  
10 ballot initiatives, or legislation.

11 "Tax Increment Financing district" or "TIF district" means  
12 a designated area within a county, municipality, park  
13 district, library district, or school district in which  
14 property taxes are captured and diverted to fund improvements,  
15 infrastructure, and development in that area.

16 "Zoning variance" means a legal exception granted by a  
17 municipality or unit of local government that allows a  
18 property to be used or developed in a manner not otherwise  
19 permitted by existing zoning laws or regulations.

20 Section 15. Prohibition of political contributions.

21 (a) No director of, employee of, or investor in any  
22 corporation, organization, or entity that directly or  
23 indirectly receives a benefit from a TIF district or a benefit  
24 from a zoning variance or immediate family member of such a  
25 person shall:

1           (1) donate or otherwise contribute money, goods, or  
2 services to any candidate for public office, political  
3 organization, political action committee (PAC), or  
4 independent expenditure committee seeking to influence  
5 elections for offices in the county, municipality, park  
6 district, library district, or school district from which  
7 the TIF district or zoning variance originates; or

8           (2) make contributions to any political organization  
9 or committee formed to influence elections for taxing  
10 districts, including county, municipal, park district,  
11 library district, or school district that receives taxes  
12 from the same TIF district or whose jurisdiction  
13 intersects with the boundaries of the TIF district or the  
14 area benefiting from the zoning variance.

15           (b) No director of, employee of, or investor in any  
16 corporation, organization, or entity that directly or  
17 indirectly receives a benefit from a zoning variance or  
18 immediate family member of such a person shall contribute to  
19 any political action committee or independent expenditure  
20 committee for 10 years after the zoning variance is voted on by  
21 the corporate authorities of the municipality or unit of local  
22 government. This prohibition extends to any individual or  
23 entity that benefits, directly or indirectly, from a zoning  
24 variance decision by contributing to or supporting political  
25 action committees or independent expenditure committees that  
26 seek to influence elections related to the same municipality

1 or unit of local government, taxing district, or political  
2 office affected by the zoning variance.

3 (c) The prohibitions in this Section apply to both direct  
4 and indirect contributions made to candidates, political  
5 parties, political action committees, independent expenditure  
6 committees, or other political organizations that may impact  
7 elections at the local level within any taxing district  
8 associated with the TIF district or zoning variance.

9 Section 20. Disclosure of benefits from TIF districts and  
10 zoning variances.

11 (a) Any corporation, organization, or entity receiving a  
12 benefit from a TIF district or a benefit from a zoning variance  
13 shall be required to disclose the names of directors,  
14 employees, investors, and their immediate family members who  
15 receive the benefit from a TIF district or the benefit from a  
16 zoning variance to the appropriate governmental body  
17 administering the TIF district or zoning variance. This  
18 disclosure shall be made annually and shall be available for  
19 public inspection.

20 (b) Political organizations, candidates, political action  
21 committees, and independent expenditure committees shall also  
22 be required to maintain records and disclose contributions  
23 from individuals or entities that are subject to the  
24 provisions of this Act.

1 Section 25. Enforcement and penalties.

2 (a) Any person found to have violated the provisions of  
3 this Act by making political contributions prohibited under  
4 Section 15 shall be guilty of a Class A misdemeanor and subject  
5 to the following penalties:

6 (1) a fine of up to \$100,000 for each violation;

7 (2) an order of ineligibility to receive future  
8 benefits from the relevant TIF district or zoning variance  
9 for a period of up to 5 years; and

10 (3) imprisonment for up to one year.

11 (b) This Act may be enforced by the State's Attorney for  
12 the county in which the violation occurred or the Attorney  
13 General.

14 Section 30. Applicability. This Act does not apply to  
15 persons making political contributions to candidates or  
16 political organizations that are unrelated to the taxing  
17 district from which the TIF district or zoning variance  
18 originates, and it does not apply to political contributions  
19 made at the State or federal level.

20 Section 99. Effective date. This Act takes effect  
21 September 1, 2025.