

# SB2465



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB2465

Introduced 1/15/2020, by Sen. Laura M. Murphy

#### 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 of the Illinois Municipal Code. Provides that all surplus funds in the special tax allocation fund shall be distributed as soon as possible after they are calculated (rather than distributed annually within 180 days after the close of the municipality's fiscal year).

LRB101 16160 AWJ 65528 b

A BILL FOR

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 as soon as possible after they are calculated under this  
12 Section annually within 180 days after the close of the  
13 municipality's fiscal year by being paid by the municipal  
14 treasurer to the County Collector, to the Department of Revenue  
15 and to the municipality in direct proportion to the tax  
16 incremental revenue received as a result of an increase in the  
17 equalized assessed value of property in the redevelopment  
18 project area, tax incremental revenue received from the State  
19 and tax incremental revenue received from the municipality, but  
20 not to exceed as to each such source the total incremental  
21 revenue received from that source. The County Collector shall  
22 thereafter make distribution to the respective taxing  
23 districts in the same manner and proportion as the most recent  
24 distribution by the county collector to the affected districts  
25 of real property taxes from real property in the redevelopment  
26 project area.

1 Without limiting the foregoing in this Section, the  
2 municipality may in addition to obligations secured by the  
3 special tax allocation fund pledge for a period not greater  
4 than the term of the obligations towards payment of such  
5 obligations any part or any combination of the following: (a)  
6 net revenues of all or part of any redevelopment project; (b)  
7 taxes levied and collected on any or all property in the  
8 municipality; (c) the full faith and credit of the  
9 municipality; (d) a mortgage on part or all of the  
10 redevelopment project; (d-5) repayment of bonds issued  
11 pursuant to subsection (p-130) of Section 19-1 of the School  
12 Code; or (e) any other taxes or anticipated receipts that the  
13 municipality may lawfully pledge.

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

1 required as a condition to the issuance of obligations pursuant  
2 to this Division except as provided in this Section.

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

21 If no petition is filed with the municipal clerk, as  
22 hereinafter provided in this Section, within 30 days after the  
23 publication of the ordinance, the ordinance shall be in effect.  
24 But, if within that 30 day period a petition is filed with the  
25 municipal clerk, signed by electors in the municipality  
26 numbering 10% or more of the number of registered voters in the

1 municipality, asking that the question of issuing obligations  
2 using full faith and credit of the municipality as security for  
3 the cost of paying for redevelopment project costs, or of  
4 pledging taxes for the payment of such obligations, or both, be  
5 submitted to the electors of the municipality, the corporate  
6 authorities of the municipality shall call a special election  
7 in the manner provided by law to vote upon that question, or,  
8 if a general, State or municipal election is to be held within  
9 a period of not less than 30 or more than 90 days from the date  
10 such petition is filed, shall submit the question at the next  
11 general, State or municipal election. If it appears upon the  
12 canvass of the election by the corporate authorities that a  
13 majority of electors voting upon the question voted in favor  
14 thereof, the ordinance shall be in effect, but if a majority of  
15 the electors voting upon the question are not in favor thereof,  
16 the ordinance shall not take 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           (Source: P.A. 100-531, eff. 9-22-17.)