

SB1777



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1777

Introduced 2/26/2021, 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).

LRB102 11631 AWJ 16965 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
13 of taxes levied as specified in Section 11-74.4-9 against the
14 taxable property included in the area, by revenues as
15 specified by Section 11-74.4-8a and other revenue designated
16 by the municipality. A municipality may in the ordinance
17 pledge all or any part of the funds in and to be deposited in
18 the special tax allocation fund created pursuant to Section
19 11-74.4-8 to the payment of the redevelopment project costs
20 and obligations. Any pledge of funds in the special tax
21 allocation fund shall provide for distribution to the taxing
22 districts and to the Illinois Department of Revenue of moneys
23 not required, pledged, earmarked, or otherwise designated for

1 payment and securing of the obligations and anticipated
2 redevelopment project costs and such excess funds shall be
3 calculated annually and deemed to be "surplus" funds. In the
4 event a municipality only applies or pledges a portion of the
5 funds in the special tax allocation fund for the payment or
6 securing of anticipated redevelopment project costs or of
7 obligations, any such funds remaining in the special tax
8 allocation fund after complying with the requirements of the
9 application or pledge, shall also be calculated annually and
10 deemed "surplus" funds. All surplus funds in the special tax
11 allocation fund shall be distributed as soon as possible after
12 they are calculated under this Section ~~annually within 180~~
13 ~~days after the close of the municipality's fiscal year~~ by
14 being paid by the municipal treasurer to the County Collector,
15 to the Department of Revenue and to the municipality in direct
16 proportion to the tax incremental revenue received as a result
17 of an increase in the equalized assessed value of property in
18 the redevelopment project area, tax incremental revenue
19 received from the State and tax incremental revenue received
20 from the municipality, but not to exceed as to each such source
21 the total incremental revenue received from that source. The
22 County Collector shall thereafter make distribution to the
23 respective taxing districts in the same manner and proportion
24 as the most recent distribution by the county collector to the
25 affected districts of real property taxes from real property
26 in the redevelopment 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
24 to this Act may be sold at public or private sale at such price
25 as shall be determined by the corporate authorities of the
26 municipalities. No referendum approval of the electors shall

1 be required as a condition to the issuance of obligations
2 pursuant 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
24 effect. But, if within that 30 day period a petition is filed
25 with the municipal clerk, signed by electors in the
26 municipality numbering 10% or more of the number of registered

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

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

23 In the event the municipality authorizes issuance of
24 obligations pursuant to this Section secured by the full faith
25 and credit of the municipality, the ordinance authorizing the
26 obligations may provide for the levy and collection of a

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

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

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

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

1 manner as if such obligations had been issued pursuant to the
2 provisions of this division.

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

7 (Source: P.A. 100-531, eff. 9-22-17.)