

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 1. Short title. This Act may be cited as the  
5 Business Improvement District Law.

6 Section 5. Purpose. The General Assembly finds that it is  
7 in the interest of the State of Illinois to promote the  
8 economic revitalization and physical maintenance of business  
9 districts in order to create jobs, attract new businesses,  
10 retain existing businesses, increase public safety, and spur  
11 new investments. The General Assembly finds that this purpose  
12 may best be accomplished by allowing business improvement  
13 districts to fund business-related activities and improvements  
14 through the levy of district charges upon the owners of real  
15 property that receive benefits from those activities and  
16 improvements.

17 Section 7. Applicability. This Act applies only to  
18 municipalities having a population exceeding 500,000.

19 Section 10. Definitions. As used in this Act:

20 "Activities" means services provided for the purpose of  
21 conferring benefit upon assessed owners of property located

1 within a business improvement district, including, but not  
2 limited to:

3 (1) promotion of events taking place within the  
4 business improvement district;

5 (2) furnishing of music;

6 (3) marketing and economic development, including  
7 retail retention and recruitment;

8 (4) providing security, sanitation, graffiti removal,  
9 street and sidewalk cleaning, and other services  
10 supplemental to base services; and

11 (5) other services provided for the purpose of  
12 conferring benefit upon assessed owners of property  
13 located within the business improvement district.

14 "Activities" does not include lobbying, as that term is  
15 defined in Section 2 of the Lobbyist Registration Act and  
16 Chapter 2-156 of the Municipal Code of Chicago.

17 "Base services" means services provided by any public  
18 entity, or paid for wholly or in part out of public funds,  
19 generally throughout a municipality to real property within  
20 the municipality.

21 "Business improvement district" means a contiguous area  
22 within a municipality in which activities, improvements, or  
23 activities and improvements are provided in addition to base  
24 services. Territory shall be considered contiguous for  
25 purposes of this Act even though certain completely surrounded  
26 portions of the territory are excluded from the business

1 improvement district. For purposes of this Act, parcels are  
2 within the same contiguous area if they touch or join one  
3 another in a reasonably substantial physical sense or if they  
4 meet the criteria for annexation to a municipality under  
5 Section 7-1-1 of the Illinois Municipal Code.

6 "Clerk" means the municipal clerk.

7 "District charge" means a charge levied on behalf of a  
8 business improvement district for the purpose of acquiring,  
9 constructing, installing, or maintaining improvements or  
10 providing activities that will confer special benefits upon  
11 assessed property owners within the business improvement  
12 district. District charges levied for the purpose of  
13 conferring special benefits upon assessed property owners  
14 within a business improvement district are not taxes for the  
15 general benefit of a municipality, even if real property or  
16 persons not charged receive incidental or collateral  
17 beneficial effects.

18 "District management association" means a private or  
19 not-for-profit entity that enters into a contract with a board  
20 of directors of a business improvement district to administer  
21 or implement activities and improvements specified in the  
22 district plan for a business improvement district. A district  
23 management association shall not be considered a public entity  
24 for any purpose.

25 "District plan" means a proposal for a business  
26 improvement district that contains the information described

1 in Section 15.

2 "Governing body" means the corporate authorities of a  
3 municipality.

4 "Improvements" means the acquisition, construction,  
5 installation, or maintenance of any tangible property provided  
6 for the purpose of conferring benefit upon assessed property  
7 owners located within a business improvement district.

8 "Property owner" or "owner" means the record owner of fee  
9 simple interest in a real property subject to assessment,  
10 which will be deemed to be the person or entity that pays  
11 property taxes on the real property according to county  
12 records, unless another person or entity establishes to the  
13 municipality by clear and convincing evidence that they are  
14 the record owner of the fee simple interest.

15 "Public entity" means (i) the State or any agency, board,  
16 or commission of the State, (ii) any school district, or (iii)  
17 any unit of local government.

18 Section 15. District plan.

19 (a) A business improvement district established under this  
20 Act is subject to and governed by a district plan, as may be  
21 amended as set forth in Section 60, and filed with the clerk. A  
22 district plan shall be prepared by the property owner or  
23 owners who submit the written petition to the clerk under  
24 Section 30.

25 (b) The district plan shall include, but need not be

1 limited to, the following:

2 (1) The name of the business improvement district.

3 (2) A map of the business improvement district in  
4 sufficient detail to allow a property owner to reasonably  
5 determine whether a parcel of real property is located  
6 within the boundaries of the business improvement  
7 district.

8 (3) A description of the boundaries of the business  
9 improvement district in a manner sufficient to identify  
10 the real property included in the business improvement  
11 district.

12 (4) The initial term of the business improvement  
13 district.

14 (5) A statement identifying the activities and  
15 improvements within the business improvement district that  
16 may be provided from time to time for which property  
17 owners will be charged and that the activities and  
18 improvements that are provided may vary from year to year  
19 and may differ by class.

20 (6) A statement identifying the maximum amount of the  
21 annual district charge to be levied and that the maximum  
22 amount of the annual district charge levied may vary from  
23 year to year.

24 (7) A statement identifying the maximum amount of  
25 total district charges to be levied for the term of the  
26 business improvement district.

1           (8) A statement identifying the proposed source or  
2 sources of financing, including the proposed method and  
3 basis of levying an assessment, in sufficient detail to  
4 allow each property owner to calculate (i) the estimated  
5 amount of the district charge to be levied upon the  
6 property owner annually, (ii) the maximum amount of the  
7 district charge that could be levied upon the property  
8 owner annually, and (iii) the total amount of the district  
9 charges that could be levied upon the property owner for  
10 the term of the business improvement district.

11           (9) Any interest or penalties that may be imposed for  
12 delinquent payment of a district charge.

13           (10) A list of the real property subject to a district  
14 charge, and a statement of any proposed classifications.  
15 The list shall include the permanent tax index number of  
16 each parcel located within the business improvement  
17 district.

18           (11) A statement of the real property classes exempt  
19 from charge, and a list of the real property to be  
20 exempted.

21           (12) A statement identifying the proposed procedures  
22 for renewal, subject to the limitations under Section 55.

23           (13) A statement identifying the district management  
24 association and the district management association's  
25 anticipated liability insurance coverage limits if the  
26 business improvement district will be contracting with a

1 district management association.

2 (14) A statement identifying how unspent revenue  
3 collected from district charges may be allocated, carried  
4 over year to year, or returned to the assessed property  
5 owners at the end of each year by applying the same method  
6 and basis that was used to calculate the district charges  
7 levied throughout the term of the business improvement  
8 district.

9 (15) The manner by which an assessed property owner  
10 may contest the calculation of a specific district charge.

11 (16) A statement identifying the business improvement  
12 district's governance structure. The governance structure  
13 shall include a board of directors, and the statement  
14 shall identify the size of the board, the manner in which  
15 directors are elected or appointed to serve on the board,  
16 the term of the board members, and any other details  
17 required under Section 50 of this Act.

18 (17) The anticipated annual percentage of total  
19 district charges that will be allocated for administrative  
20 expenses to operate and maintain the business improvement  
21 district.

22 (18) A statement identifying if a class or classes of  
23 real property exempt from district charges may elect to  
24 have a district charge levied against the property for the  
25 purposes of receiving benefits from the business  
26 improvement district. If the district plan authorizes this

1 elective participation, the district plan must also  
2 identify the process by which the property owner  
3 affirmatively elects to participate, the maximum annual  
4 amount of district charges to be levied against the  
5 property owner, and the maximum amount of total district  
6 charges to be levied against the property owner for the  
7 term of the business improvement district.

8 (19) Any proposed rules and regulations to be applied  
9 to the business improvement district.

10 Section 20. Assessments and district charges.

11 (a) Each district plan shall provide for an assessment  
12 levied upon property owners owning property within the  
13 business improvement district upon which district charges are  
14 based, except an assessment may not be levied against a public  
15 entity even if the public entity owns property within the  
16 business improvement district. Unless the district plan  
17 provides for elective participation and the property owner  
18 elects to have a district charge assessed and levied upon the  
19 property owner, assessments may not be levied upon property  
20 owners owning property within the business improvement  
21 district that is classified for purposes of taxation under  
22 established ordinance by the local county board as residential  
23 or exempt from taxation, except that for properties located in  
24 Cook County, this only applies to properties granted Class 0  
25 and Class 2 classification under the classification system for



1 assessment in effect when the assessment is levied. District  
2 charges shall be levied at a rate or amount sufficient to  
3 produce revenues required to provide the activities and  
4 improvements specified in the district plan, except a district  
5 charge may not be levied against a single property owner that  
6 exceeds 20% of the total district charges assessed in the  
7 business improvement district. The revenue from the levy of  
8 district charges within a business improvement district may  
9 not be used to provide services outside the business  
10 improvement district or for any purpose other than the  
11 purposes set forth in the ordinance adopting the district  
12 plan. The business improvement district is not required to use  
13 revenue from the levy of district charges within a business  
14 improvement district to provide services to any property  
15 wherein a district charge is not levied against the property  
16 owner.

17 (b) District charges shall be levied on the basis of the  
18 estimated benefit to the real property located within the  
19 business improvement district. In determining the assessment,  
20 the board of directors of a business improvement district may  
21 reasonably classify real property for purposes of determining  
22 benefit if so provided in the district plan. The  
23 classification may be based on various factors, including, as  
24 applicable, square footage, geography, or any other factor  
25 reasonably relating to the benefit received. Certain classes  
26 may be specified in the district plan as exempted from being

1 charged if they would not receive a special benefit from the  
2 activities and improvements. District charges need not be  
3 imposed on different classes on the same basis or the same  
4 rate.

5 (c) District charges levied upon property owners owning  
6 property within the business improvement district may be  
7 billed and collected as follows:

8 (1) the county collector of the county in which a  
9 business improvement district is located may bill and  
10 collect district charges with the regular property tax  
11 bills of the county if requested by a municipality within  
12 its jurisdiction that has established a business  
13 improvement district; however, no municipality is required  
14 to make this request of its county collector. If the  
15 county collector agrees to bill and collect district  
16 charges with the regular property tax bills of the county,  
17 then the applicable district plan shall be filed with the  
18 county collector and the annual amount due as set forth by  
19 the board of directors of a business improvement district  
20 shall become due in installments at the times property  
21 taxes shall become due in accordance with each regular  
22 property tax bill payable during the year in which the  
23 district charge comes due. The county collector shall  
24 promptly remit the district charges collected to the  
25 municipality; or

26 (2) if the county collector does not agree to bill and

1 collect district charges with the regular property tax  
2 bills of the county or the municipality that has  
3 established the business improvement district declines to  
4 request the county collector to do so, then the  
5 municipality shall bill and collect the district charges,  
6 either directly or through a third party, and the annual  
7 amount due as set forth by the board of directors of the  
8 business improvement district in accordance with the  
9 district plan shall become due in installments on or about  
10 the times property taxes would otherwise become due in  
11 accordance with each regular property tax bill payable  
12 during the year in which the district charge comes due.  
13 The governmental unit shall not bill the business  
14 improvement district for the cost of billing and  
15 collecting the district charges, but may pass on the  
16 actual costs incurred if using a third party to bill and  
17 collect the district charges.

18 (d) District charges shall be payable at the times and in  
19 the manner set forth in the applicable bill. Delinquent  
20 payments for district charges levied pursuant to this Act may  
21 be charged interest and penalties as may be set forth in the  
22 district plan.

23 (e) District charges shall promptly, and in no case later  
24 than 90 days after collection, be remitted by the municipality  
25 to the board of directors of a business improvement district.

1 Section 25. Boundaries of business improvement district.

2 (a) The boundaries of a proposed business improvement  
3 district may not overlap with the boundaries of another  
4 business improvement district or with the boundaries of a  
5 special service area established pursuant to the Special  
6 Service Area Tax Law.

7 (b) The boundaries of any proposed business improvement  
8 district may overlap with the boundaries of a tax increment  
9 financing district.

10 Section 30. Proposals to establish a business improvement  
11 district.

12 (a) To propose a business improvement district, a written  
13 petition satisfying the requirements of Section 75 shall be  
14 filed with the clerk and shall include the name and legal  
15 status of the filing party, information specifying where the  
16 complete district plan can be obtained, and a summary of the  
17 district plan that includes: the boundaries of the proposed  
18 business improvement district; the proposed activities and  
19 improvements and estimated amount of annual funding required;  
20 the method of assessment; the business improvement district's  
21 governance structure; and the total amount of the proposed  
22 district charges. The information contained in the summary  
23 shall be sufficient if it enables a property owner to  
24 generally identify the location and extent of the proposed  
25 business improvement district, the nature and extent of the

1 activities and improvements, the estimated annual district  
2 charge that the property owner would pay, and the maximum  
3 annual district charge that the property owner would pay.

4 (b) Upon receiving a written petition to establish a  
5 business improvement district and concluding that the petition  
6 meets the requirements of Section 75, the clerk shall submit  
7 the petition to the governing body.

8 Section 35. Resolution of intent to consider establishment  
9 of a business improvement district. After receiving a verified  
10 petition from the clerk, the governing body shall, within 90  
11 days, adopt a resolution of intention to consider the  
12 establishment of a business improvement district. The  
13 resolution shall state the time and place of a public hearing  
14 to be held by the governing body to consider establishment of a  
15 business improvement district and shall restate all the  
16 information contained in the petition regarding the boundaries  
17 of the proposed business improvement district, the proposed  
18 activities and improvements, and estimated amount of annual  
19 funding required, the method of assessment, the governance  
20 structure, and the total amount of the proposed district  
21 charges anticipated for the initial term of the business  
22 improvement district.

23 Section 40. Establishment.

24 (a) Within 30 days after the public hearing to consider

1 establishment of a business improvement district, the party  
2 who filed the district plan with the clerk may modify the  
3 district plan, including to satisfy any applicable legal  
4 requirements or remedy any deficiencies, prior to the adoption  
5 of an ordinance establishing a business improvement district.  
6 Any modification to the district plan that changes the source  
7 or sources of financing, including the method and basis of  
8 levying the district charge or an increase or reduction in the  
9 maximum annual amount or maximum total amount of the district  
10 charge against one or more properties within the business  
11 improvement district, the procedures for renewal, the  
12 boundaries of a business improvement district, the business  
13 improvement district's board of director's governance  
14 structure, the activities and improvements to be provided  
15 within the business improvement district, or a change to the  
16 filing party must be approved by a written petition that  
17 conforms to the petition signature requirements set forth in  
18 Section 75. If the district plan is so modified, the governing  
19 body shall call an additional public hearing to hear and  
20 consider objections to the modified district plan prior to the  
21 adoption of an ordinance establishing a business improvement  
22 district.

23 (b) If, following all required public hearings, the  
24 governing body decides to establish a business improvement  
25 district, the governing body shall adopt an ordinance  
26 establishing the business improvement district that shall

1 include, but is not limited to, all the following information:

2 (1) A detailed description of: the boundaries of the  
3 proposed business improvement district, which may be made  
4 by reference to a plan or map; the proposed activities and  
5 improvements, and an estimated amount of annual funding  
6 required; the method of assessment; the maximum amount of  
7 annual district charges; and the total amount of the  
8 proposed district charges for the initial term of the  
9 business improvement district. The descriptions shall be  
10 sufficient if the descriptions enable a property owner to  
11 generally identify the location and extent of the proposed  
12 business improvement district, the nature and extent of  
13 the activities and improvements, and the maximum annual  
14 district charge that the property owner would pay.

15 (2) The time and place where any public hearing  
16 concerning the establishment of the business improvement  
17 district was held.

18 (3) A statement that the activities and improvements  
19 to be conferred upon property owners will be funded by the  
20 levy of district charges.

21 (4) A finding that each item in the district plan  
22 satisfies all applicable legal requirements and that  
23 establishing the business improvement district is in the  
24 public interest.

25 (5) The adoption of the district plan, as may be  
26 modified pursuant to subsection (a), including each item

1 set forth in Section 15.

2 (6) A statement identifying the entity that will be  
3 responsible for administering district charges, including  
4 the functions of billing, collecting, and enforcement,  
5 pursuant to Section 20.

6 (7) Authorization for the municipality to remit  
7 district charges to the board of directors of a business  
8 improvement district for the provision of activities and  
9 improvement.

10 (8) The deadline and manner for submitting the annual  
11 report required in Section 65.

12 (c) The ordinance establishing the business improvement  
13 district may not create additional obligations, burdens,  
14 requirements, liabilities, or restrictions for the business  
15 improvement district, board of directors of a business  
16 improvement district, or, when applicable, district management  
17 association other than those that are expressly contemplated  
18 by the district plan.

19 Section 45. Activities and improvements.

20 (a) Upon establishment of a business improvement district,  
21 the municipality or county collector may levy and collect the  
22 district charge pursuant to Section 20 as allowed by the  
23 district plan and the ordinance adopting the district plan.

24 (b) Activities and improvements provided pursuant to this  
25 Act shall be provided in addition to base services. The



1 appropriate municipality shall continue to provide the same  
2 level of base services in any business improvement district as  
3 is provided to other real property within the municipality.  
4 The business improvement district is not expected or required  
5 to supplement any base services, but the board of directors of  
6 a business improvement district or the district management  
7 association, whichever may be applicable, may cause activities  
8 and improvements that supplement any base services within the  
9 business improvement district in accordance with the district  
10 plan.

11 Section 50. Governance.

12 (a) The board of directors of a business improvement  
13 district shall be established as a not-for-profit corporation  
14 subject to all applicable State and federal laws or  
15 regulations.

16 (b) The bylaws of a board of directors of a business  
17 improvement district shall provide for voting representation  
18 of owners whose real property is located within the business  
19 improvement district and may provide that the votes be  
20 weighted in proportion to the district charge levied or to be  
21 levied upon property owners within the business improvement  
22 district, except the total number of votes assigned to one  
23 owner may not exceed 20% of the total number of votes which may  
24 be cast.

25 (c) In the initial year of the first term of a business

1 improvement district, unless a lower threshold is expressly  
2 provided for in the district plan, all serving on the board of  
3 directors shall be property owners, their property management  
4 agents, or their tenant designees whose real property is  
5 located within the business improvement district. After the  
6 initial year of the first term of a business improvement  
7 district, at least 25% of the members of the board of directors  
8 must consist of tenant designees of property owners whose real  
9 property is located within the business improvement district.  
10 In order to satisfy the 25% tenant designee requirement, the  
11 board may increase in size if permitted under the district  
12 plan and bylaws of the board of directors pursuant to  
13 subsection (b). As used in this subsection, "tenant designee"  
14 includes (i) an individual, partnership, corporation,  
15 association, joint venture, or other commercial entity that  
16 maintains a tenancy agreement with a property owner for real  
17 property located within the business improvement district or  
18 (ii) a private or not-for-profit entity that represents the  
19 interests of an individual partnership, corporation,  
20 association, joint venture, or other commercial entity that  
21 maintains a tenancy agreement with a property owner for real  
22 property located within the business improvement district, and  
23 who is required to pay some portion of the district charge  
24 assessed against the property owner pursuant to the tenancy  
25 agreement or some other written agreement maintained with the  
26 property owner. In order for a tenant designee to be eligible

1 to serve on the board of directors of a business improvement  
2 district, the tenant designee's tenancy agreement with the  
3 property owner must cover leased space that constitutes a  
4 substantial percentage of the total leasable area within the  
5 property owner's property located inside the business  
6 improvement district and whose presence substantially  
7 contributes to the property's overall economic viability. A  
8 tenant designee may be deemed to substantially contribute to  
9 the property's overall economic viability based on factors  
10 such as leased square footage, revenue contribution, industry  
11 prominence, or other considerations relevant to the property's  
12 commercial dynamics. The determination of a tenant designee as  
13 substantially contributing to the property's overall economic  
14 viability shall be at the sole discretion of the property  
15 owner. Failure to fill vacancies allocated to a tenant  
16 designee do not prevent the board of directors from continuing  
17 operations if the board of directors is operating consistent  
18 with the bylaws of the board of directors and any applicable  
19 State or federal law.

20 (d) The composition of the board of directors shall be  
21 described in the statement identifying the governance  
22 structure of the business improvement district in the district  
23 plan. If allowed by the district plan, the bylaws of a board of  
24 directors of a business improvement district may establish a  
25 variable range for the size of the board by prescribing a  
26 minimum and maximum number of directors. If a variable range

1 is established, unless the district plan otherwise provides,  
2 the number of directors may be fixed or changed from time to  
3 time, within the minimum and maximum, by the directors without  
4 further amendment to the bylaws.

5 (e) For each business improvement district, the board of  
6 directors of the business improvement district may contract  
7 with a district management association if so designated in the  
8 district plan to administer the operation of and provide for  
9 and maintain activities and improvements in and for a business  
10 improvement district. The contract may provide for the  
11 provision and maintenance of activities and improvements by  
12 one or more subcontractors of a district management  
13 association.

14 (f) In addition to other powers as are conferred on it by  
15 law, the board of directors of a business improvement district  
16 may make recommendations to the governing body with respect to  
17 any matter involving or relating to the business improvement  
18 district.

19 (g) For consideration as it may deem appropriate, the  
20 governing body may license or grant to the board of directors  
21 of a business improvement district the right to undertake or  
22 permit commercial activities or other private uses of the  
23 streets or other parts of the business improvement district in  
24 which the municipality has any real property interest.

25 Section 55. Term; renewal.

1           (a) The initial term for a business improvement district  
2 shall be a maximum of 5 years. Any business improvement  
3 district may be renewed one or more times by following the  
4 procedures for renewal as provided in the district plan if  
5 each property owner that is subject to assessment is notified  
6 of a pending renewal. A renewal may not go into effect when,  
7 prior to the effective date of the renewal, a written petition  
8 seeking termination of the renewal that conforms to the  
9 petition signature requirements set forth in Section 75 is  
10 delivered to the clerk.

11           (b) Upon each renewal, a business improvement district  
12 shall have an additional term not to exceed 10 years. Prior to  
13 renewal, the ordinance adopting the district plan may be  
14 amended pursuant to Section 60, with the amendments to take  
15 effect upon renewal.

16           (c) Upon renewal, any remaining revenues derived from the  
17 levy of district charges, or any revenues derived from the  
18 sale of assets acquired with the revenues, shall be  
19 transferred to the board of directors of the renewed business  
20 improvement district. If the renewed business improvement  
21 district includes additional real property not included within  
22 the prior business improvement district, the remaining  
23 revenues shall be spent to benefit only the real property  
24 within the boundaries of the prior business improvement  
25 district. If the renewed business improvement district does  
26 not include real property included in the prior business

1 improvement district, the remaining revenues attributable to  
2 that real property shall be refunded to the property owners of  
3 that real property.

4 Section 60. Amendments.

5 (a) Only upon the written request of the board of  
6 directors of a business improvement district may the governing  
7 body amend the ordinance adopting the district plan upon which  
8 the establishment or renewal of the business improvement  
9 district was based as set forth in this Section.

10 (b) Amendments that provide for any change to the source  
11 or sources of financing, including the method and basis of  
12 levying the district charge or an increase in the maximum  
13 annual district charge or the maximum total district charges  
14 for the term of the business improvement district, or that  
15 provide for any change to the procedures for renewal may be  
16 adopted by the governing body by ordinance if, after a public  
17 hearing, the governing body determines that it is in the  
18 public interest to authorize the change to the source or  
19 sources of financing or to authorize the change to the  
20 procedures for renewal.

21 (c) Amendments that provide for a change to the boundaries  
22 of a business improvement district may be adopted by the  
23 governing body by ordinance if, after a public hearing, the  
24 governing body determines that it is in the public interest to  
25 authorize the change to the boundaries of the business

1 improvement district and, if applicable, that all newly  
2 included property will benefit from the activities and  
3 improvements provided. The governing body may change the  
4 boundaries of a business improvement district by either  
5 expanding or reducing the existing boundaries. If the change  
6 to the boundaries is an expansion to existing boundaries, the  
7 expansion area must be contiguous with an existing boundary  
8 and the district charges upon property owners in the expansion  
9 area shall comply with the requirements of Section 20. The  
10 governing body may consider an expansion to the boundaries of  
11 a business improvement district only upon receipt of a written  
12 petition of property owners within the proposed expansion area  
13 that conforms to the petition signature requirements set forth  
14 in Section 75. Any revenues that are unspent at the time of an  
15 amendment expanding the boundaries of a business improvement  
16 district shall be spent to benefit only the real property  
17 within the prior boundaries of the business improvement  
18 district. If the change to the boundaries is a reduction to  
19 existing boundaries, any revenues that are unspent at the time  
20 of the amendment and are associated with real property that is  
21 being removed from the business improvement district, then  
22 those remaining revenues shall be refunded to the assessed  
23 property owners of the real property. Any amendment that  
24 changes the boundaries of a business improvement district  
25 shall provide an updated map of the business improvement  
26 district that reflects the expansion or reduction of its

1 boundaries.

2 (d) Notice shall be given and public hearings shall be  
3 held in accordance with Sections 80 and 85.

4 (e) An amendment not provided for in subsection (b) or (c)  
5 may be adopted by the governing body by ordinance without  
6 notice and a public hearing if the governing body determines  
7 that the amendment is consistent with the objectives of the  
8 district plan and is in the public interest to approve the  
9 amendment, but the amendment may not create any additional  
10 obligations, burdens, requirements, liabilities, or  
11 restrictions for the business improvement district or the  
12 board of directors of a business improvement district other  
13 than those that are expressly allowed by the district plan.

14 Section 65. Reports.

15 (a) The board of directors of a business improvement  
16 district or the district management association, whichever may  
17 be applicable, shall prepare or have prepared a report for  
18 each fiscal year, except the first fiscal year, for which  
19 district charges are to be levied and collected to pay the  
20 costs of activities and improvements. The first report shall  
21 be submitted after the first year of operation of the business  
22 improvement district.

23 (b) The report shall be submitted to the governing body,  
24 and to each property owner subject to a district charge upon  
25 request, and shall be made available for public inspection.



1 The report shall refer to the business improvement district by  
2 name, specify the fiscal year to which the report applies,  
3 and, with respect to that fiscal year, shall contain, but is  
4 not limited to, all the following information:

5 (1) The activities and improvements provided in the  
6 previous fiscal year.

7 (2) The cost of the activities and improvements  
8 provided in the previous fiscal year.

9 (3) Administrative expenses incurred in connection  
10 with the activities and improvements provided in the  
11 previous fiscal year.

12 (4) All other administrative expenses incurred in the  
13 previous fiscal year not contemplated by paragraph (3).

14 (5) The amount of any surplus or deficit revenues to  
15 be carried over from the previous fiscal year.

16 (6) A comparison of the projected budget to the actual  
17 expenditures of the business improvement district for the  
18 previous fiscal year.

19 (7) Planned activities and improvements and projected  
20 costs and administrative expenses for the upcoming fiscal  
21 year.

22 (8) When applicable, the annual performance evaluation  
23 of the district management association to be conducted by  
24 the board of directors for the business improvement  
25 district.

26 (9) Applicable annual milestones and metrics for the

1 purposes of measuring the success of the business  
2 improvement district, including the impacts of the  
3 activities and improvements contemplated by the district  
4 plan on economic activity, labor market, public and  
5 community safety statistics, and property values within  
6 the business improvement district.

7 (10) Clear instructions on how to access any other  
8 publicly available report or filing submitted by the  
9 business improvement district under applicable State or  
10 federal laws or regulations.

11 (c) In addition to the annual reporting requirement, the  
12 board of directors of a business improvement district shall  
13 notify the governing body of any proposed infrastructure or  
14 capital project in excess of \$50,000 within a reasonable time.

15 Section 70. Dissolution.

16 (a) After a public hearing on the subject of dissolution,  
17 the governing body may dissolve by ordinance any business  
18 improvement district in either of the following circumstances:

19 (1) If the governing body finds there has been  
20 misappropriation of funds, malfeasance, or a violation of  
21 law in connection with the management of the business  
22 improvement district; or

23 (2) Each year during the term of the business  
24 improvement district, there shall be a 60-day period in  
25 which property owners who paid more than 50% of the total

1 of district charges levied in the prior year may request  
2 dissolution of a business improvement district by a  
3 written petition that conforms to the petition signature  
4 requirements set forth in Section 75. The first period  
5 shall begin 60 days prior to one year after the date of  
6 establishment of the district and shall continue for 60  
7 days. The next 60-day period shall begin 60 days prior to 2  
8 years after the date of the establishment of the district.  
9 Each successive year during the term of the district shall  
10 have a 60-day period beginning 60 days after the  
11 anniversary of the date of the establishment of the  
12 district.

13 (b) The governing body shall adopt a resolution of  
14 intention to dissolve the business improvement district prior  
15 to a public hearing required by this section. The resolution  
16 shall state the reason for the dissolution, shall state the  
17 time and place of the public hearing, and shall contain a  
18 proposal to dispose of any assets acquired with the revenues  
19 of district charges levied on behalf of the business  
20 improvement district in accordance with subsection (d).

21 (c) Notice shall be given and public hearings shall be  
22 held in accordance with Sections 80 and 85.

23 (d) Upon the dissolution or expiration without renewal of  
24 a district, and after all outstanding debts are paid, any  
25 remaining revenues derived from the levy of district charges,  
26 including any remaining revenues from district charges

1 collected after dissolution, or derived from the sale of  
2 assets acquired with these revenues or construction funds,  
3 shall be either: (i) refunded to the property owners then  
4 located or operating within the business improvement district  
5 in which district charges were levied by applying the same  
6 method and basis that was used to calculate the district  
7 charges levied in the fiscal year in which the district  
8 dissolves or expires; or (ii) spent on activities or  
9 improvements specified in the district plan under a valid and  
10 enforceable contract executed by the board of directors of a  
11 business improvement district or the district management  
12 association, whichever may be applicable, prior to the  
13 dissolution. If the dissolution occurs before district charges  
14 are levied for the fiscal year, the method and basis that was  
15 used to calculate district charges levied in the immediate  
16 prior fiscal year shall be used to calculate the amount of any  
17 refund.

18 Section 75. Petition signature requirements. Any petition  
19 required by this Act must be signed by property owners in the  
20 proposed business improvement district or proposed expanded  
21 area of a business improvement district, as the case may be,  
22 who cumulatively are expected to pay more than 50% of the total  
23 amount of the district charges proposed to be levied. All  
24 signatures for a petition to establish or expand a business  
25 improvement district must be collected within a period ending

1 no more than 120 days from the initiation of the petition,  
2 which date shall be specified on the petition.

3 Section 80. Manner of notice. In addition to any notice of  
4 a public hearing issued by a governing body, the property  
5 owner or owners who submit the written petition to the clerk  
6 under Section 30 or, after a business improvement district is  
7 established, the board of directors of a business improvement  
8 district shall also provide notice of a public hearing  
9 required under this Act. The notice of the public hearing  
10 shall be given by publication and mailing. When notice by  
11 publication is required, it shall be provided in both physical  
12 and online form in a newspaper of general circulation within  
13 the business improvement district at least once not less than  
14 15 days prior to the public hearing. The notice must, in  
15 addition, be published on the website of the business  
16 improvement district or its district management association,  
17 if the district or association has a website. Notice by  
18 mailing shall be given by depositing the notice in the United  
19 States mail addressed to each property owner subject to a  
20 district charge, as well as all members of the board of  
21 directors. The notice must, in addition, be electronically  
22 mailed if an electronic mailing address is known for each  
23 owner subject to a district charge as well as all members of  
24 the board of directors. Notice shall be mailed and  
25 electronically mailed not less than 14 days prior to the time

1 set for the public hearing. The mailed and electronically  
2 mailed notice shall enclose or include information allowing a  
3 property owner to obtain a copy of any proposed district plan  
4 or proposed amended district plan.

5 Section 85. Public hearings. At a public hearing held  
6 pursuant to this Act, any interested person, including all  
7 property owners owning real property located within a proposed  
8 or existing business improvement district, may file with the  
9 clerk written objections to or statements in support of, and  
10 may be heard orally, with respect to any matter embodied in the  
11 district plan or concerning the management of the business  
12 improvement district. The governing body shall hear and  
13 consider all statements and objections at the public hearing.  
14 The governing body may adjourn a public hearing to another  
15 date without further notice other than a motion fixing the  
16 time and place the public hearing will reconvene.

17 Section 90. Existing law. This Act provides an alternative  
18 method of financing certain activities and improvements. The  
19 provisions of this Act do not affect or limit any other  
20 provisions of law authorizing or providing for the furnishing  
21 of activities or improvements or the raising of revenue for  
22 these purposes. Every special service area established  
23 pursuant to the Special Service Area Tax Law is unaffected by  
24 this Act.

1           Section 95. Contesting validity. The validity of a  
2 business improvement district created or amended, district  
3 plan established, or district charge imposed under this Act  
4 may not be contested in any action or proceeding unless the  
5 action or proceeding is commenced: (1) within 30 days after  
6 the formation ordinance is adopted; (2) with respect to  
7 amendments under Section 60, within 30 days after an amendment  
8 has been approved; or (3) with respect to district charges  
9 imposed under this Act, within 30 days after receipt of the  
10 bill containing the district charge. If a party appeals a  
11 final judgment, the party filing the appeal shall request  
12 discretionary acceleration under Supreme Court Rule 311(b).

13           Section 999. Effective date. This Act takes effect upon  
14 becoming law.