

1 AN ACT concerning municipalities.

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 Sections 8-11-6a and 11-74.3-3 and by adding Sections
6 11-74.3-5 and 11-74.3-6 as follows:

7 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

8 Sec. 8-11-6a. Home rule municipalities; preemption of
9 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
10 8-11-6, ~~and 8-11-6b,~~ and 11-74.3-6 on and after September 1,
11 1990, no home rule municipality has the authority to impose,
12 pursuant to its home rule authority, a retailer's occupation
13 tax, service occupation tax, use tax, sales tax or other tax on
14 the use, sale or purchase of tangible personal property based
15 on the gross receipts from such sales or the selling or
16 purchase price of said tangible personal property.
17 Notwithstanding the foregoing, this Section does not preempt
18 any home rule imposed tax such as the following: (1) a tax on
19 alcoholic beverages, whether based on gross receipts, volume
20 sold or any other measurement; (2) a tax based on the number of
21 units of cigarettes or tobacco products (provided, however,
22 that a home rule municipality that has not imposed a tax based
23 on the number of units of cigarettes or tobacco products before
24 July 1, 1993, shall not impose such a tax after that date); (3)
25 a tax, however measured, based on the use of a hotel or motel
26 room or similar facility; (4) a tax, however measured, on the
27 sale or transfer of real property; (5) a tax, however measured,
28 on lease receipts; (6) a tax on food prepared for immediate
29 consumption and on alcoholic beverages sold by a business which
30 provides for on premise consumption of said food or alcoholic
31 beverages; or (7) other taxes not based on the selling or
32 purchase price or gross receipts from the use, sale or purchase

1 of tangible personal property. This Section is not intended to
2 affect any existing tax on food and beverages prepared for
3 immediate consumption on the premises where the sale occurs, or
4 any existing tax on alcoholic beverages, or any existing tax
5 imposed on the charge for renting a hotel or motel room, which
6 was in effect January 15, 1988, or any extension of the
7 effective date of such an existing tax by ordinance of the
8 municipality imposing the tax, which extension is hereby
9 authorized, in any non-home rule municipality in which the
10 imposition of such a tax has been upheld by judicial
11 determination, nor is this Section intended to preempt the
12 authority granted by Public Act 85-1006. This Section is a
13 limitation, pursuant to subsection (g) of Section 6 of Article
14 VII of the Illinois Constitution, on the power of home rule
15 units to tax.

16 (Source: P.A. 91-51, eff. 6-30-99.)

17 (65 ILCS 5/11-74.3-3) (from Ch. 24, par. 11-74.3-3)

18 Sec. 11-74.3-3. In carrying out a business district
19 development or redevelopment plan, the corporate authorities
20 of each municipality shall have the following powers:

21 (1) To approve all development and redevelopment
22 proposals for a business district.

23 (2) To exercise the use of eminent domain for the
24 acquisition of real and personal property for the purpose
25 of a development or redevelopment project.

26 (3) To acquire, manage, convey or otherwise dispose of
27 real and personal property according to the provisions of a
28 development or redevelopment plan.

29 (4) To apply for and accept capital grants and loans
30 from the United States and the State of Illinois, or any
31 instrumentality of the United States or the State, for
32 business district development and redevelopment.

33 (5) To borrow funds as it may be deemed necessary for
34 the purpose of business district development and
35 redevelopment, and in this connection issue such

1 obligation or revenue bonds as it shall be deemed
2 necessary, subject to applicable statutory limitations.

3 (6) To enter into contracts with any public or private
4 agency or person.

5 (7) To sell, lease, trade or improve real property in
6 connection with business district development and
7 redevelopment plans.

8 (8) To employ all such persons as may be necessary for
9 the planning, administration and implementation of
10 business district plans.

11 (9) To expend such public funds as may be necessary for
12 the planning, execution and implementation of the business
13 district plans.

14 (10) To establish by ordinance or resolution
15 procedures for the planning, execution and implementation
16 of business district plans.

17 (11) To create a Business District Development and
18 Redevelopment Commission to act as agent for the
19 municipality for the purposes of business district
20 development and redevelopment.

21 (12) To impose a retailers' occupation tax and a
22 service occupation tax in the business district for the
23 planning, execution, and implementation of business
24 district plans and to pay for business district project
25 costs as set forth in the business district plan approved
26 by the municipality.

27 (13) To impose a hotel operators' occupation tax in the
28 business district for the planning, execution, and
29 implementation of business district plans and to pay for
30 the business district project costs as set forth in the
31 business district plan approved by the municipality.

32 (14) To issue obligations in one or more series bearing
33 interest at rates determined by the corporate authorities
34 of the municipality by ordinance and secured by the
35 business district tax allocation fund set forth in Section
36 11-74.3-6 for the business district to provide for the

1 payment of business district project costs.

2 This amendatory Act of the 91st General Assembly is
3 declarative of existing law and is not a new enactment.

4 (Source: P.A. 91-418, eff. 1-1-00.)

5 (65 ILCS 5/11-74.3-5 new)

6 Sec. 11-74.3-5. Business district; additional procedures
7 for designation of district and approval of development or
8 redevelopment plan. If the corporate authorities of a
9 municipality desire to impose a tax by ordinance pursuant to
10 subsection (12) or (13) of Section 11-74.3-3, the following
11 additional procedures shall apply to the designation of the
12 business district and the approval of the business district
13 development or redevelopment plan:

14 (1) The corporate authorities of the municipality
15 shall hold public hearings at least one week prior to
16 designation of the business district and approval of the
17 business district development or redevelopment plan.

18 (2) The area proposed to be designated as a business
19 district must be contiguous and must include only parcels
20 of real property directly and substantially benefited by
21 the proposed business district development or
22 redevelopment plan.

23 (3) The corporate authorities of the municipality
24 shall make a formal finding of the following: (i) the
25 business district is a blighted area that, by reason of the
26 predominance of defective or inadequate street layout,
27 unsanitary or unsafe conditions, deterioration of site
28 improvements, improper subdivision or obsolete platting,
29 or the existence of conditions which endanger life or
30 property by fire or other causes, or any combination of
31 those factors, retards the provision of housing
32 accommodations or constitutes an economic or social
33 liability or a menace to the public health, safety, morals,
34 or welfare in its present condition and use; and (ii) the
35 business district on the whole has not been subject to

1 growth and development through investment by private
2 enterprises or would not reasonably be anticipated to be
3 developed or redeveloped without the adoption of the
4 business district development or redevelopment plan.

5 (4) The proposed business district development or
6 redevelopment plan shall set forth in writing: (i) a
7 specific description of the proposed boundaries of the
8 district, including a map illustrating the boundaries;
9 (ii) a general description of each project proposed to be
10 undertaken within the business district, including a
11 description of the approximate location of each project;
12 (iii) the name of the proposed business district; (iv) the
13 estimated business district project costs; (v) the
14 anticipated source of funds to pay business district
15 project costs; (vi) the anticipated type and terms of any
16 obligations to be issued; and (vii) the rate of any tax to
17 be imposed pursuant to subsection (12) or (13) of Section
18 11-74.3-3 and the period of time for which the tax shall be
19 imposed.

20 (65 ILCS 5/11-74.3-6 new)

21 Sec. 11-74.3-6. Business district revenue and obligations.

22 (a) If the corporate authorities of a municipality have
23 approved a business district development or redevelopment plan
24 and have elected to impose a tax by ordinance pursuant to
25 subsections (b), (c), or (d) of this Section, each year after
26 the date of the approval of the ordinance and until all
27 business district project costs and all municipal obligations
28 financing the business district project costs, if any, have
29 been paid in accordance with the business district development
30 or redevelopment plan, but in no event longer than 23 years
31 after the date of adoption of the ordinance approving the
32 business district development or redevelopment plan, all
33 amounts generated by the retailers' occupation tax and service
34 occupation tax shall be collected and the tax shall be enforced
35 by the Department of Revenue in the same manner as all

1 retailers' occupation taxes and service occupation taxes
2 imposed in the municipality imposing the tax and all amounts
3 generated by the hotel operators' occupation tax shall be
4 collected and the tax shall be enforced by the municipality in
5 the same manner as all hotel operators' occupation taxes
6 imposed in the municipality imposing the tax. The corporate
7 authorities of the municipality shall deposit the proceeds of
8 the taxes imposed under subsections (b), (c), and (d) into a
9 special fund held by the corporate authorities of the
10 municipality called the Business District Tax Allocation Fund
11 for the purpose of paying business district project costs and
12 obligations incurred in the payment of those costs.

13 (b) The corporate authorities of a municipality that has
14 established a business district under this Division 74.3 may,
15 by ordinance or resolution, impose a Business District
16 Retailers' Occupation Tax upon all persons engaged in the
17 business of selling tangible personal property, other than an
18 item of tangible personal property titled or registered with an
19 agency of this State's government, at retail in the business
20 district at a rate not to exceed 1% of the gross receipts from
21 the sales made in the course of such business, to be imposed
22 only in 0.25% increments. The tax may not be imposed on food
23 for human consumption that is to be consumed off the premises
24 where it is sold (other than alcoholic beverages, soft drinks,
25 and food that has been prepared for immediate consumption) and
26 prescription and nonprescription medicines, drugs, medical
27 appliances, modifications to a motor vehicle for the purpose of
28 rendering it usable by a disabled person, and insulin, urine
29 testing materials, syringes, and needles used by diabetics, for
30 human use.

31 The tax imposed under this subsection and all civil
32 penalties that may be assessed as an incident thereof shall be
33 collected and enforced by the Department of Revenue. The
34 certificate of registration that is issued by the Department to
35 a retailer under the Retailers' Occupation Tax Act shall permit
36 the retailer to engage in a business that is taxable under any

1 ordinance or resolution enacted pursuant to this subsection
2 without registering separately with the Department under such
3 ordinance or resolution or under this subsection. The
4 Department of Revenue shall have full power to administer and
5 enforce this subsection; to collect all taxes and penalties due
6 under this subsection in the manner hereinafter provided; and
7 to determine all rights to credit memoranda arising on account
8 of the erroneous payment of tax or penalty under this
9 subsection. In the administration of, and compliance with, this
10 subsection, the Department and persons who are subject to this
11 subsection shall have the same rights, remedies, privileges,
12 immunities, powers and duties, and be subject to the same
13 conditions, restrictions, limitations, penalties, exclusions,
14 exemptions, and definitions of terms and employ the same modes
15 of procedure, as are prescribed in Sections 1, 1a through 1o, 2
16 through 2-65 (in respect to all provisions therein other than
17 the State rate of tax), 2c through 2h, 3 (except as to the
18 disposition of taxes and penalties collected), 4, 5, 5a, 5c,
19 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11,
20 12, 13, and 14 of the Retailers' Occupation Tax Act and all
21 provisions of the Uniform Penalty and Interest Act, as fully as
22 if those provisions were set forth herein.

23 Persons subject to any tax imposed under this subsection
24 may reimburse themselves for their seller's tax liability under
25 this subsection by separately stating the tax as an additional
26 charge, which charge may be stated in combination, in a single
27 amount, with State taxes that sellers are required to collect
28 under the Use Tax Act, in accordance with such bracket
29 schedules as the Department may prescribe.

30 Whenever the Department determines that a refund should be
31 made under this subsection to a claimant instead of issuing a
32 credit memorandum, the Department shall notify the State
33 Comptroller, who shall cause the order to be drawn for the
34 amount specified and to the person named in the notification
35 from the Department. The refund shall be paid by the State
36 Treasurer out of the business district retailers' occupation

1 tax fund.

2 The Department shall immediately pay over to the State
3 Treasurer, ex officio, as trustee, all taxes, penalties, and
4 interest collected under this subsection for deposit into the
5 business district retailers' occupation tax fund. On or before
6 the 25th day of each calendar month, the Department shall
7 prepare and certify to the Comptroller the disbursement of
8 stated sums of money to named municipalities from the business
9 district retailers' occupation tax fund, the municipalities to
10 be those from which retailers have paid taxes or penalties
11 under this subsection to the Department during the second
12 preceding calendar month. The amount to be paid to each
13 municipality shall be the amount (not including credit
14 memoranda) collected under this subsection during the second
15 preceding calendar month by the Department plus an amount the
16 Department determines is necessary to offset any amounts that
17 were erroneously paid to a different taxing body, and not
18 including an amount equal to the amount of refunds made during
19 the second preceding calendar month by the Department, less 2%
20 of that amount, which shall be deposited into the Tax
21 Compliance and Administration Fund and shall be used by the
22 Department, subject to appropriation, to cover the costs of the
23 Department in administering and enforcing the provisions of
24 this subsection, on behalf of such municipality, and not
25 including any amount that the Department determines is
26 necessary to offset any amounts that were payable to a
27 different taxing body but were erroneously paid to the
28 municipality. Within 10 days after receipt by the Comptroller
29 of the disbursement certification to the municipalities
30 provided for in this subsection to be given to the Comptroller
31 by the Department, the Comptroller shall cause the orders to be
32 drawn for the respective amounts in accordance with the
33 directions contained in the certification. The proceeds of the
34 tax paid to municipalities under this subsection shall be
35 deposited into the Business District Tax Allocation Fund by the
36 municipality.

1 An ordinance or resolution imposing or discontinuing the
2 tax under this subsection or effecting a change in the rate
3 thereof shall either (i) be adopted and a certified copy
4 thereof filed with the Department on or before the first day of
5 April, whereupon the Department, if all other requirements of
6 this subsection are met, shall proceed to administer and
7 enforce this subsection as of the first day of July next
8 following the adoption and filing; or (ii) be adopted and a
9 certified copy thereof filed with the Department on or before
10 the first day of October, whereupon, if all other requirements
11 of this subsection are met, the Department shall proceed to
12 administer and enforce this subsection as of the first day of
13 January next following the adoption and filing.

14 The Department of Revenue shall not administer or enforce
15 an ordinance imposing, discontinuing, or changing the rate of
16 the tax under this subsection, until the municipality also
17 provides, in the manner prescribed by the Department, the
18 boundaries of the business district in such a way that the
19 Department can determine by its address whether a business is
20 located in the business district. The municipality must provide
21 this boundary information to the Department on or before April
22 1 for administration and enforcement of the tax under this
23 subsection by the Department beginning on the following July 1
24 and on or before October 1 for administration and enforcement
25 of the tax under this subsection by the Department beginning on
26 the following January 1. The Department of Revenue shall not
27 administer or enforce any change made to the boundaries of a
28 business district until the municipality reports the boundary
29 change to the Department in the manner prescribed by the
30 Department. The municipality must provide this boundary change
31 information to the Department on or before April 1 for
32 administration and enforcement by the Department of the change
33 beginning on the following July 1 and on or before October 1
34 for administration and enforcement by the Department of the
35 change beginning on the following January 1. The retailers in
36 the business district shall be responsible for charging the tax

1 imposed under this subsection. If a retailer is incorrectly
2 included or excluded from the list of those required to collect
3 the tax under this subsection, both the Department of Revenue
4 and the retailer shall be held harmless if they reasonably
5 relied on information provided by the municipality.

6 A municipality that imposes the tax under this subsection
7 must submit to the Department of Revenue any other information
8 as the Department may require for the administration and
9 enforcement of the tax.

10 When certifying the amount of a monthly disbursement to a
11 municipality under this subsection, the Department shall
12 increase or decrease the amount by an amount necessary to
13 offset any misallocation of previous disbursements. The offset
14 amount shall be the amount erroneously disbursed within the
15 previous 6 months from the time a misallocation is discovered.

16 Nothing in this subsection shall be construed to authorize
17 the municipality to impose a tax upon the privilege of engaging
18 in any business which under the Constitution of the United
19 States may not be made the subject of taxation by this State.

20 If the General Assembly fails to appropriate sufficient
21 funds for the Department of Revenue to implement the
22 administration of the tax imposed under this subsection, then
23 all provisions of this subsection requiring the Department to
24 administer and enforce the tax imposed under this subsection
25 are null and void and the tax imposed under this subsection
26 shall instead be administered and enforced exclusively by each
27 municipality imposing the tax with respect to that
28 municipality's business district.

29 If a tax is imposed under this subsection (b), a tax shall
30 also be imposed under subsection (c) of this Section.

31 (c) If a tax has been imposed under subsection (b), a
32 Business District Service Occupation Tax shall also be imposed
33 upon all persons engaged, in the business district, in the
34 business of making sales of service, who, as an incident to
35 making those sales of service, transfer tangible personal
36 property within the business district, either in the form of

1 tangible personal property or in the form of real estate as an
2 incident to a sale of service. The tax shall be imposed at the
3 same rate as the tax imposed in subsection (b) and shall not
4 exceed 1% of the selling price of tangible personal property so
5 transferred within the business district, to be imposed only in
6 0.25% increments. The tax may not be imposed on food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, soft drinks, and food
9 that has been prepared for immediate consumption) and
10 prescription and nonprescription medicines, drugs, medical
11 appliances, modifications to a motor vehicle for the purpose of
12 rendering it usable by a disabled person, and insulin, urine
13 testing materials, syringes, and needles used by diabetics, for
14 human use.

15 The tax imposed under this subsection and all civil
16 penalties that may be assessed as an incident thereof shall be
17 collected and enforced by the Department of Revenue. The
18 certificate of registration which is issued by the Department
19 to a retailer under the Retailers' Occupation Tax Act or under
20 the Service Occupation Tax Act shall permit such registrant to
21 engage in a business which is taxable under any ordinance or
22 resolution enacted pursuant to this subsection without
23 registering separately with the Department under such
24 ordinance or resolution or under this subsection. The
25 Department of Revenue shall have full power to administer and
26 enforce this subsection; to collect all taxes and penalties due
27 under this subsection; to dispose of taxes and penalties so
28 collected in the manner hereinafter provided; and to determine
29 all rights to credit memoranda arising on account of the
30 erroneous payment of tax or penalty under this subsection. In
31 the administration of, and compliance with this subsection, the
32 Department and persons who are subject to this subsection shall
33 have the same rights, remedies, privileges, immunities, powers
34 and duties, and be subject to the same conditions,
35 restrictions, limitations, penalties, exclusions, exemptions,
36 and definitions of terms and employ the same modes of procedure

1 as are prescribed in Sections 2, 2a through 2d, 3 through 3-50
2 (in respect to all provisions therein other than the State rate
3 of tax), 4 (except that the reference to the State shall be to
4 the business district), 5, 7, 8 (except that the jurisdiction
5 to which the tax shall be a debt to the extent indicated in
6 that Section 8 shall be the municipality), 9 (except as to the
7 disposition of taxes and penalties collected, and except that
8 the returned merchandise credit for this tax may not be taken
9 against any State tax), 10, 11, 12 (except the reference
10 therein to Section 2b of the Retailers' Occupation Tax Act), 13
11 (except that any reference to the State shall mean the
12 municipality), the first paragraph of Section 15, and Sections
13 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all
14 provisions of the Uniform Penalty and Interest Act, as fully as
15 if those provisions were set forth herein.

16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 serviceman's tax liability hereunder by separately stating the
19 tax as an additional charge, which charge may be stated in
20 combination, in a single amount, with State tax that servicemen
21 are authorized to collect under the Service Use Tax Act, in
22 accordance with such bracket schedules as the Department may
23 prescribe.

24 Whenever the Department determines that a refund should be
25 made under this subsection to a claimant instead of issuing
26 credit memorandum, the Department shall notify the State
27 Comptroller, who shall cause the order to be drawn for the
28 amount specified, and to the person named, in such notification
29 from the Department. Such refund shall be paid by the State
30 Treasurer out of the business district retailers' occupation
31 tax fund.

32 The Department shall forthwith pay over to the State
33 Treasurer, ex-officio, as trustee, all taxes, penalties, and
34 interest collected under this subsection for deposit into the
35 business district retailers' occupation tax fund. On or before
36 the 25th day of each calendar month, the Department shall

1 prepare and certify to the Comptroller the disbursement of
2 stated sums of money to named municipalities from the business
3 district retailers' occupation tax fund, the municipalities to
4 be those from which suppliers and servicemen have paid taxes or
5 penalties under this subsection to the Department during the
6 second preceding calendar month. The amount to be paid to each
7 municipality shall be the amount (not including credit
8 memoranda) collected under this subsection during the second
9 preceding calendar month by the Department, less 2% of that
10 amount, which shall be deposited into the Tax Compliance and
11 Administration Fund and shall be used by the Department,
12 subject to appropriation, to cover the costs of the Department
13 in administering and enforcing the provisions of this
14 subsection, and not including an amount equal to the amount of
15 refunds made during the second preceding calendar month by the
16 Department on behalf of such municipality. Within 10 days after
17 receipt, by the Comptroller, of the disbursement certification
18 to the municipalities, provided for in this subsection to be
19 given to the Comptroller by the Department, the Comptroller
20 shall cause the orders to be drawn for the respective amounts
21 in accordance with the directions contained in such
22 certification. The proceeds of the tax paid to municipalities
23 under this subsection shall be deposited into the Business
24 District Tax Allocation Fund by the municipality.

25 An ordinance or resolution imposing or discontinuing the
26 tax under this subsection or effecting a change in the rate
27 thereof shall either (i) be adopted and a certified copy
28 thereof filed with the Department on or before the first day of
29 April, whereupon the Department, if all other requirements of
30 this subsection are met, shall proceed to administer and
31 enforce this subsection as of the first day of July next
32 following the adoption and filing; or (ii) be adopted and a
33 certified copy thereof filed with the Department on or before
34 the first day of October, whereupon, if all other conditions of
35 this subsection are met, the Department shall proceed to
36 administer and enforce this subsection as of the first day of

1 January next following the adoption and filing.

2 The Department of Revenue shall not administer or enforce
3 an ordinance imposing, discontinuing, or changing the rate of
4 the tax under this subsection, until the municipality also
5 provides, in the manner prescribed by the Department, the
6 boundaries of the business district in such a way that the
7 Department can determine by its address whether a business is
8 located in the business district. The municipality must provide
9 this boundary information to the Department on or before April
10 1 for administration and enforcement of the tax under this
11 subsection by the Department beginning on the following July 1
12 and on or before October 1 for administration and enforcement
13 of the tax under this subsection by the Department beginning on
14 the following January 1. The Department of Revenue shall not
15 administer or enforce any change made to the boundaries of a
16 business district until the municipality reports the boundary
17 change to the Department in the manner prescribed by the
18 Department. The municipality must provide this boundary change
19 information to the Department on or before April 1 for
20 administration and enforcement by the Department of the change
21 beginning on the following July 1 and on or before October 1
22 for administration and enforcement by the Department of the
23 change beginning on the following January 1. The retailers in
24 the business district shall be responsible for charging the tax
25 imposed under this subsection. If a retailer is incorrectly
26 included or excluded from the list of those required to collect
27 the tax under this subsection, both the Department of Revenue
28 and the retailer shall be held harmless if they reasonably
29 relied on information provided by the municipality.

30 A municipality that imposes the tax under this subsection
31 must submit to the Department of Revenue any other information
32 as the Department may require for the administration and
33 enforcement of the tax.

34 Nothing in this subsection shall be construed to authorize
35 the municipality to impose a tax upon the privilege of engaging
36 in any business which under the Constitution of the United

1 States may not be made the subject of taxation by the State.

2 If the General Assembly fails to appropriate sufficient
3 funds for the Department of Revenue to implement the
4 administration of the tax imposed under this subsection, then
5 all provisions of this subsection requiring the Department to
6 administer and enforce the tax imposed under this subsection
7 are null and void and the tax imposed under this subsection
8 shall instead be administered and enforced exclusively by each
9 municipality imposing the tax with respect to that
10 municipality's business district.

11 If a tax is imposed under this subsection (c), a tax shall
12 also be imposed under subsection (b) of this Section.

13 (d) By ordinance, a municipality that has established a
14 business district under this Division 74.3 may impose an
15 occupation tax upon all persons engaged in the business
16 district in the business of renting, leasing, or letting rooms
17 in a hotel, as defined in the Hotel Operators' Occupation Tax
18 Act, at a rate not to exceed 1% of the gross rental receipts
19 from the renting, leasing, or letting of hotel rooms within the
20 business district, to be imposed only in 0.25% increments,
21 excluding, however, from gross rental receipts the proceeds of
22 renting, leasing, or letting to permanent residents of a hotel,
23 as defined in the Hotel Operators' Occupation Tax Act, and
24 proceeds from the tax imposed under subsection (c) of Section
25 13 of the Metropolitan Pier and Exposition Authority Act.

26 The tax imposed by the municipality under this subsection
27 and all civil penalties that may be assessed as an incident to
28 that tax shall be collected and enforced by the municipality
29 imposing the tax. The municipality shall have full power to
30 administer and enforce this subsection, to collect all taxes
31 and penalties due under this subsection, to dispose of taxes
32 and penalties so collected in the manner provided in this
33 subsection, and to determine all rights to credit memoranda
34 arising on account of the erroneous payment of tax or penalty
35 under this subsection. In the administration of and compliance
36 with this subsection, the municipality and persons who are

1 subject to this subsection shall have the same rights,
2 remedies, privileges, immunities, powers, and duties, shall be
3 subject to the same conditions, restrictions, limitations,
4 penalties, and definitions of terms, and shall employ the same
5 modes of procedure as are employed with respect to a tax
6 adopted by the municipality under Section 8-3-14 of this Code.

7 Persons subject to any tax imposed under the authority
8 granted in this subsection may reimburse themselves for their
9 tax liability for that tax by separately stating that tax as an
10 additional charge, which charge may be stated in combination,
11 in a single amount, with State taxes imposed under the Hotel
12 Operators' Occupation Tax Act, and with any other tax.

13 Nothing in this subsection shall be construed to authorize
14 a municipality to impose a tax upon the privilege of engaging
15 in any business which under the Constitution of the United
16 States may not be made the subject of taxation by this State.

17 The proceeds of the tax imposed under this subsection shall
18 be deposited into the Business District Tax Allocation Fund.

19 (e) Obligations issued pursuant to subsection (14) of
20 Section 11-74.3-3 shall be retired in the manner provided in
21 the ordinance authorizing the issuance of those obligations by
22 the receipts of taxes levied as authorized in subsections (12)
23 and (13) of Section 11-74.3-3. The ordinance shall pledge all
24 of the amounts in and to be deposited in the Business District
25 Tax Allocation Fund to the payment of business district project
26 costs and obligations. Obligations issued pursuant to
27 subsection (14) of Section 11-74.3-3 may be sold at public or
28 private sale at a price determined by the corporate authorities
29 of the municipality and no referendum approval of the electors
30 shall be required as a condition to the issuance of those
31 obligations. The ordinance authorizing the obligations may
32 require that the obligations contain a recital that they are
33 issued pursuant to subsection (14) of Section 11-74.3-3 and
34 this recital shall be conclusive evidence of their validity and
35 of the regularity of their issuance. The corporate authorities
36 of the municipality may also issue its obligations to refund,

1 in whole or in part, obligations previously issued by the
2 municipality under the authority of this Code, whether at or
3 prior to maturity. All obligations issued pursuant to
4 subsection (14) of Section 11-74.3-3 shall not be regarded as
5 indebtedness of the municipality issuing the obligations for
6 the purpose of any limitation imposed by law.

7 (f) When business district costs, including, without
8 limitation, all municipal obligations financing business
9 district project costs incurred under Section 11-74.3-3 have
10 been paid, any surplus funds then remaining in the Business
11 District Tax Allocation Fund shall be distributed to the
12 municipal treasurer for deposit into the municipal general
13 corporate fund. Upon payment of all business district project
14 costs and retirement of obligations, but in no event more than
15 23 years after the date of adoption of the ordinance approving
16 the business district development or redevelopment plan, the
17 municipality shall adopt an ordinance immediately rescinding
18 the taxes imposed pursuant to subsections (12) and (13) of
19 Section 11-74.3-3.

20 Section 99. Effective date. This Act takes effect on
21 January 1, 2005.