



Rep. Rita Mayfield

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1 AMENDMENT TO HOUSE BILL 197

2 AMENDMENT NO. _____. Amend House Bill 197, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Municipal Code is amended by
6 changing Section 11-74.4-8 as follows:

7 (65 ILCS 5/11-74.4-8) (from Ch. 24, par. 11-74.4-8)

8 Sec. 11-74.4-8. Tax increment allocation financing. A
9 municipality may not adopt tax increment financing in a
10 redevelopment project area after the effective date of this
11 amendatory Act of 1997 that will encompass an area that is
12 currently included in an enterprise zone created under the
13 Illinois Enterprise Zone Act unless that municipality,
14 pursuant to Section 5.4 of the Illinois Enterprise Zone Act,
15 amends the enterprise zone designating ordinance to limit the
16 eligibility for tax abatements as provided in Section 5.4.1 of

1 the Illinois Enterprise Zone Act. A municipality, at the time a
2 redevelopment project area is designated, may adopt tax
3 increment allocation financing by passing an ordinance
4 providing that the ad valorem taxes, if any, arising from the
5 levies upon taxable real property in such redevelopment project
6 area by taxing districts and tax rates determined in the manner
7 provided in paragraph (c) of Section 11-74.4-9 each year after
8 the effective date of the ordinance until redevelopment project
9 costs and all municipal obligations financing redevelopment
10 project costs incurred under this Division have been paid shall
11 be divided as follows:

12 (a) That portion of taxes levied upon each taxable lot,
13 block, tract or parcel of real property which is attributable
14 to the lower of the current equalized assessed value or the
15 initial equalized assessed value of each such taxable lot,
16 block, tract or parcel of real property in the redevelopment
17 project area shall be allocated to and when collected shall be
18 paid by the county collector to the respective affected taxing
19 districts in the manner required by law in the absence of the
20 adoption of tax increment allocation financing.

21 (a-5) Beginning with the first distribution of tax proceeds
22 to occur 3 years after the redevelopment project area is
23 established, that portion of taxes levied upon each taxable
24 lot, block, tract, or parcel of real property which is
25 attributable to annual inflationary increases (not less than
26 zero) shall be allocated to a school district located in the

1 redevelopment project area through an intergovernmental
2 agreement with the sponsoring municipality and, when
3 collected, shall be paid by the county collector to the school
4 district in the manner required by law. The inflationary
5 increase allocated to the school districts shall be determined
6 by the annual increase in the consumer price index-u.

7 For purposes of this subsection, "consumer price index-u"
8 means the index published by the Bureau of Labor Statistics of
9 the United States Department of Labor that measures the average
10 change in prices of goods and services published by all urban
11 consumers, United States city average, all items, 1982-1984 =
12 100.

13 This subsection (a-5) shall apply only to project
14 redevelopment areas established on and after the effective date
15 of this amendatory Act of the 98th General Assembly.

16 (b) Except from a tax levied by a township to retire bonds
17 issued to satisfy court-ordered damages, that portion, if any,
18 of such taxes which is attributable to the increase in the
19 current equalized assessed valuation of each taxable lot,
20 block, tract or parcel of real property in the redevelopment
21 project area over and above the initial equalized assessed
22 value of each property in the project area shall be allocated
23 to and when collected shall be paid to the municipal treasurer
24 who shall deposit said taxes into a special fund called the
25 special tax allocation fund of the municipality for the purpose
26 of paying redevelopment project costs and obligations incurred

1 in the payment thereof. In any county with a population of
2 3,000,000 or more that has adopted a procedure for collecting
3 taxes that provides for one or more of the installments of the
4 taxes to be billed and collected on an estimated basis, the
5 municipal treasurer shall be paid for deposit in the special
6 tax allocation fund of the municipality, from the taxes
7 collected from estimated bills issued for property in the
8 redevelopment project area, the difference between the amount
9 actually collected from each taxable lot, block, tract, or
10 parcel of real property within the redevelopment project area
11 and an amount determined by multiplying the rate at which taxes
12 were last extended against the taxable lot, block, track, or
13 parcel of real property in the manner provided in subsection
14 (c) of Section 11-74.4-9 by the initial equalized assessed
15 value of the property divided by the number of installments in
16 which real estate taxes are billed and collected within the
17 county; provided that the payments on or before December 31,
18 1999 to a municipal treasurer shall be made only if each of the
19 following conditions are met:

20 (1) The total equalized assessed value of the
21 redevelopment project area as last determined was not less
22 than 175% of the total initial equalized assessed value.

23 (2) Not more than 50% of the total equalized assessed
24 value of the redevelopment project area as last determined
25 is attributable to a piece of property assigned a single
26 real estate index number.

1 (3) The municipal clerk has certified to the county
2 clerk that the municipality has issued its obligations to
3 which there has been pledged the incremental property taxes
4 of the redevelopment project area or taxes levied and
5 collected on any or all property in the municipality or the
6 full faith and credit of the municipality to pay or secure
7 payment for all or a portion of the redevelopment project
8 costs. The certification shall be filed annually no later
9 than September 1 for the estimated taxes to be distributed
10 in the following year; however, for the year 1992 the
11 certification shall be made at any time on or before March
12 31, 1992.

13 (4) The municipality has not requested that the total
14 initial equalized assessed value of real property be
15 adjusted as provided in subsection (b) of Section
16 11-74.4-9.

17 The conditions of paragraphs (1) through (4) do not apply
18 after December 31, 1999 to payments to a municipal treasurer
19 made by a county with 3,000,000 or more inhabitants that has
20 adopted an estimated billing procedure for collecting taxes. If
21 a county that has adopted the estimated billing procedure makes
22 an erroneous overpayment of tax revenue to the municipal
23 treasurer, then the county may seek a refund of that
24 overpayment. The county shall send the municipal treasurer a
25 notice of liability for the overpayment on or before the
26 mailing date of the next real estate tax bill within the

1 county. The refund shall be limited to the amount of the
2 overpayment.

3 It is the intent of this Division that after the effective
4 date of this amendatory Act of 1988 a municipality's own ad
5 valorem tax arising from levies on taxable real property be
6 included in the determination of incremental revenue in the
7 manner provided in paragraph (c) of Section 11-74.4-9. If the
8 municipality does not extend such a tax, it shall annually
9 deposit in the municipality's Special Tax Increment Fund an
10 amount equal to 10% of the total contributions to the fund from
11 all other taxing districts in that year. The annual 10% deposit
12 required by this paragraph shall be limited to the actual
13 amount of municipally produced incremental tax revenues
14 available to the municipality from taxpayers located in the
15 redevelopment project area in that year if: (a) the plan for
16 the area restricts the use of the property primarily to
17 industrial purposes, (b) the municipality establishing the
18 redevelopment project area is a home-rule community with a 1990
19 population of between 25,000 and 50,000, (c) the municipality
20 is wholly located within a county with a 1990 population of
21 over 750,000 and (d) the redevelopment project area was
22 established by the municipality prior to June 1, 1990. This
23 payment shall be in lieu of a contribution of ad valorem taxes
24 on real property. If no such payment is made, any redevelopment
25 project area of the municipality shall be dissolved.

26 If a municipality has adopted tax increment allocation

1 financing by ordinance and the County Clerk thereafter
2 certifies the "total initial equalized assessed value as
3 adjusted" of the taxable real property within such
4 redevelopment project area in the manner provided in paragraph
5 (b) of Section 11-74.4-9, each year after the date of the
6 certification of the total initial equalized assessed value as
7 adjusted until redevelopment project costs and all municipal
8 obligations financing redevelopment project costs have been
9 paid the ad valorem taxes, if any, arising from the levies upon
10 the taxable real property in such redevelopment project area by
11 taxing districts and tax rates determined in the manner
12 provided in paragraph (c) of Section 11-74.4-9 shall be divided
13 as follows:

14 (1) That portion of the taxes levied upon each taxable
15 lot, block, tract or parcel of real property which is
16 attributable to the lower of the current equalized assessed
17 value or "current equalized assessed value as adjusted" or
18 the initial equalized assessed value of each such taxable
19 lot, block, tract, or parcel of real property existing at
20 the time tax increment financing was adopted, minus the
21 total current homestead exemptions under Article 15 of the
22 Property Tax Code in the redevelopment project area shall
23 be allocated to and when collected shall be paid by the
24 county collector to the respective affected taxing
25 districts in the manner required by law in the absence of
26 the adoption of tax increment allocation financing.

1 (2) That portion, if any, of such taxes which is
2 attributable to the increase in the current equalized
3 assessed valuation of each taxable lot, block, tract, or
4 parcel of real property in the redevelopment project area,
5 over and above the initial equalized assessed value of each
6 property existing at the time tax increment financing was
7 adopted, minus the total current homestead exemptions
8 pertaining to each piece of property provided by Article 15
9 of the Property Tax Code in the redevelopment project area,
10 shall be allocated to and when collected shall be paid to
11 the municipal Treasurer, who shall deposit said taxes into
12 a special fund called the special tax allocation fund of
13 the municipality for the purpose of paying redevelopment
14 project costs and obligations incurred in the payment
15 thereof.

16 The municipality may pledge in the ordinance the funds in
17 and to be deposited in the special tax allocation fund for the
18 payment of such costs and obligations. No part of the current
19 equalized assessed valuation of each property in the
20 redevelopment project area attributable to any increase above
21 the total initial equalized assessed value, or the total
22 initial equalized assessed value as adjusted, of such
23 properties shall be used in calculating the general State
24 school aid formula, provided for in Section 18-8 of the School
25 Code, until such time as all redevelopment project costs have
26 been paid as provided for in this Section.

1 Whenever a municipality issues bonds for the purpose of
2 financing redevelopment project costs, such municipality may
3 provide by ordinance for the appointment of a trustee, which
4 may be any trust company within the State, and for the
5 establishment of such funds or accounts to be maintained by
6 such trustee as the municipality shall deem necessary to
7 provide for the security and payment of the bonds. If such
8 municipality provides for the appointment of a trustee, such
9 trustee shall be considered the assignee of any payments
10 assigned by the municipality pursuant to such ordinance and
11 this Section. Any amounts paid to such trustee as assignee
12 shall be deposited in the funds or accounts established
13 pursuant to such trust agreement, and shall be held by such
14 trustee in trust for the benefit of the holders of the bonds,
15 and such holders shall have a lien on and a security interest
16 in such funds or accounts so long as the bonds remain
17 outstanding and unpaid. Upon retirement of the bonds, the
18 trustee shall pay over any excess amounts held to the
19 municipality for deposit in the special tax allocation fund.

20 When such redevelopment projects costs, including without
21 limitation all municipal obligations financing redevelopment
22 project costs incurred under this Division, have been paid, all
23 surplus funds then remaining in the special tax allocation fund
24 shall be distributed by being paid by the municipal treasurer
25 to the Department of Revenue, the municipality and the county
26 collector; first to the Department of Revenue and the

1 municipality in direct proportion to the tax incremental
2 revenue received from the State and the municipality, but not
3 to exceed the total incremental revenue received from the State
4 or the municipality less any annual surplus distribution of
5 incremental revenue previously made; with any remaining funds
6 to be paid to the County Collector who shall immediately
7 thereafter pay said funds to the taxing districts in the
8 redevelopment project area in the same manner and proportion as
9 the most recent distribution by the county collector to the
10 affected districts of real property taxes from real property in
11 the redevelopment project area.

12 Upon the payment of all redevelopment project costs, the
13 retirement of obligations, the distribution of any excess
14 monies pursuant to this Section, and final closing of the books
15 and records of the redevelopment project area, the municipality
16 shall adopt an ordinance dissolving the special tax allocation
17 fund for the redevelopment project area and terminating the
18 designation of the redevelopment project area as a
19 redevelopment project area. Title to real or personal property
20 and public improvements acquired by or for the municipality as
21 a result of the redevelopment project and plan shall vest in
22 the municipality when acquired and shall continue to be held by
23 the municipality after the redevelopment project area has been
24 terminated. Municipalities shall notify affected taxing
25 districts prior to November 1 if the redevelopment project area
26 is to be terminated by December 31 of that same year. If a

1 municipality extends estimated dates of completion of a
2 redevelopment project and retirement of obligations to finance
3 a redevelopment project, as allowed by this amendatory Act of
4 1993, that extension shall not extend the property tax
5 increment allocation financing authorized by this Section.
6 Thereafter the rates of the taxing districts shall be extended
7 and taxes levied, collected and distributed in the manner
8 applicable in the absence of the adoption of tax increment
9 allocation financing.

10 Nothing in this Section shall be construed as relieving
11 property in such redevelopment project areas from being
12 assessed as provided in the Property Tax Code or as relieving
13 owners of such property from paying a uniform rate of taxes, as
14 required by Section 4 of Article IX 9 of the Illinois
15 Constitution.

16 (Source: P.A. 95-644, eff. 10-12-07; revised 10-17-12.)".