#### 99TH GENERAL ASSEMBLY

### State of Illinois

## 2015 and 2016

#### SB0116

Introduced 1/28/2015, by Sen. Daniel Biss

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Special Service Area Tax Law in the Property Tax Code. Provides that the corporate authorities of a county or a municipality may establish a green special service area. Provides that those green special service areas shall include only property for which each owner of record has executed a contract or agreement with the county or municipality consenting to the inclusion of the property within the green special service area. Provides that counties and municipalities may levy property taxes in connection with green special service areas. Provides that counties and municipalities may issue bonds in connection with green special service areas and may sell, assign, or pledge those bonds to the Illinois Finance Authority. Amends the Counties Code and the Illinois Municipal Code to provide that each county or municipality shall have the power and authority to engage in specified activities that relate to green special service areas. Amends the Illinois Finance Authority Act. Provides that the Illinois Finance Authority has the power to purchase special service area bonds and to accept assignments or pledges, or both, of special service area bonds or agreements relating to green special service area projects. Effective immediately.

LRB099 06202 HLH 26264 b

FISCAL NOTE ACT MAY APPLY HOUSING AFFORDABILITY IMPACT NOTE ACT MAY APPLY 1 AN ACT concerning revenue.

# 2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Illinois Finance Authority Act is amended by
changing Sections 820-10, 820-20, and 820-25 and by adding
Section 820-37 as follows:

7 (20 ILCS 3501/820-10)

8 Sec. 820-10. Definitions. The following words or terms, 9 whenever used or referred to in this Article, shall have the 10 following meanings ascribed to them, except where the context 11 clearly requires otherwise:

12 (a) "Department" means the Illinois Department of Commerce13 and Economic Opportunity.

(b) "Unit of local government" means any unit of local government, as defined in Article VII, Section 1 of the 1970 State Constitution and any local public entity as that term is defined by the Local Governmental and Governmental Employees Tort Immunity Act and also includes the State and any instrumentality, office, officer, department, division, bureau, commission, college or university thereof.

(c) "Energy conservation project" means any improvement,
 repair, alteration or betterment of any building or facility or
 any equipment, including but not limited to an Energy

- 2 - LRB099 06202 HLH 26264 b

Efficiency Project, as defined in item (iii) of subsection (b) 1 2 of Section 825-65, in connection with any school district or community college district project, and any fixture or 3 furnishing including its energy using mechanical devices to be 4 5 added to or used in any building or facility that the Director of the Department has certified to the Authority will be a 6 7 cost-effective energy-related project that will lower energy 8 or utility costs in connection with the operation or 9 maintenance of such building or facility, and will achieve 10 energy cost savings sufficient to cover bond debt service and 11 other project costs within 20 10 years from the date of project 12 installation.

13 (d) "Green special service area project" means any energy 14 efficiency improvement, renewable energy improvement, or water 15 use improvement as such terms are defined in Section 27-5 of 16 the Special Service Area Tax Law.

17 (Source: P.A. 97-760, eff. 7-6-12.)

18 (20 ILCS 3501/820-20)

SB0116

Sec. 820-20. Powers and Duties; Illinois Local Government
 Financing Assistance Program. The Authority has the power:

(a) To purchase from time to time pursuant to negotiated sale or to otherwise acquire from time to time any local government securities issued by one or more units of local government upon such terms and conditions as the Authority may prescribe; - 3 - LRB099 06202 HLH 26264 b

(b) To issue bonds in one or more series pursuant to one or 1 2 more resolutions of the Authority for any purpose authorized under this Article, including without limitation purchasing or 3 acquiring local government securities, providing for the 4 5 payment of any interest deemed necessary on such bonds, paying 6 for the cost of issuance of such bonds, providing for the 7 payment of the cost of any guarantees, letters of credit, insurance contracts or other similar credit support or 8 9 liquidity instruments, or providing for the funding of any 10 reserves deemed necessary in connection with such bonds and refunding or advance refunding of any such bonds and the 11 12 interest and any premium thereon, pursuant to this Act;

13 (c) To provide for the funding of any reserves or other 14 funds or accounts deemed necessary by the Authority in 15 connection with any bonds issued by the Authority or local 16 government securities purchased or otherwise acquired by the 17 Authority;

(d) To pledge any local government security, including any payments thereon, and any other funds of the Authority or funds made available to the Authority which may be applied to such purpose, as security for any bonds or any guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments securing the bonds;

(e) To enter into agreements or contracts with third
 parties, whether public or private, including without
 limitation the United States of America, the State, or any

department or agency thereof to obtain any appropriations, grants, loans or guarantees which are deemed necessary or desirable by the Authority. Any such guarantee, agreement or contract may contain terms and provisions necessary or desirable in connection with the program, subject to the requirements established by this Article;

7 To charge reasonable fees to defray the cost of (f) 8 obtaining letters of credit, insurance contracts or other 9 similar documents, and to charge such other reasonable fees to 10 defray the cost of trustees, depositories, paying agents, bond 11 registrars, escrow agents and other administrative expenses. 12 Any such fees shall be payable by units of local government 13 whose local government securities are purchased or otherwise 14 acquired by the Authority pursuant to this Article, in such 15 amounts and at such times as the Authority shall determine, and 16 the amount of the fees need not be uniform among the various 17 units of local government whose local government securities are purchased or otherwise acquired by the Authority pursuant to 18 19 this Article;

(g) To obtain and maintain guarantees, letters of credit, insurance contracts or similar credit support or liquidity instruments which are deemed necessary or desirable in connection with any bonds or other obligations of the Authority or any local government securities;

(h) To establish application fees and other service feesand prescribe application, notification, contract, agreement,

security and insurance forms and rules and regulations it deems necessary or appropriate;

(i) To provide technical assistance, at the request of any 3 unit of local government, with respect to the financing or 4 5 refinancing for any public purpose. In fulfillment of this purpose, the Authority may request assistance from the 6 7 Department as necessary; any unit of local government that is experiencing either a financial emergency as defined in the 8 9 Local Government Financial Planning and Supervision Act or a 10 condition of fiscal crisis evidenced by an impaired ability to 11 obtain financing for its public purpose projects from 12 traditional financial channels or impaired ability to fully 13 fund its obligations to fire, police and municipal employee 14 pension funds, or to bond payments or reserves, may request 15 technical assistance from the Authority in the form of a 16 diagnostic evaluation of its financial condition;

17 (j) To purchase any obligations of the Authority issued 18 pursuant to this Article;

To sell, transfer or otherwise dispose of local 19 (k) 20 government securities purchased or otherwise acquired by the 21 Authority pursuant to this Article, including without 22 limitation, the sale, transfer or other disposition of 23 undivided fractionalized interests in the right to receive 24 payments of principal and premium, if any, or the right to 25 receive payments of interest or the right to receive payments 26 of principal of and premium, if any, and interest on pools of

- 6 - LRB099 06202 HLH 26264 b

such local government securities;

(1) To acquire, purchase, lease, sell, transfer and
otherwise dispose of real and personal property, or any
interest therein, and to issue its bonds and enter into leases,
contracts and other agreements with units of local government
in connection with such acquisitions, purchases, leases, sales
and other dispositions of such real and personal property;

8 (m) To make loans to banks, savings and loans and other 9 financial institutions for the purpose of purchasing or 10 otherwise acquiring local government securities, and to issue 11 its bonds, and enter into agreements and contracts in 12 connection with such loans;

13 (n) To enter into agreements or contracts with any person 14 necessary or appropriate to place the payment obligations of 15 the Authority under any of its bonds in whole or in part on any 16 interest rate basis, cash flow basis, or other basis desired by 17 the Authority, including without limitation agreements or contracts commonly known as "interest rate swap agreements", 18 "forward payment conversion agreements", and "futures", or 19 20 agreements or contracts to exchange cash flows or a series of 21 payments, or agreements or contracts, including without 22 limitation agreements or contracts commonly known as 23 "options", "puts" or "calls", to hedge payment, rate spread, or 24 similar exposure; provided, that any such agreement or contract 25 shall not constitute an obligation for borrowed money, and shall not be taken into account under Section 845-5 of this Act 26

1 or any other debt limit of the Authority or the State of 2 Illinois;

3 (o) To make and enter into all other agreements and 4 contracts and execute all instruments necessary or incidental 5 to performance of its duties and the execution of its powers 6 under this Article;

7 (p) To contract for and finance the costs of energy audits, 8 project-specific engineering and design specifications, and 9 any other related analyses preliminary to an energy 10 conservation project; and, to contract for and finance the cost 11 of project monitoring and data collection to verify 12 post-installation energy consumption and energy-related 13 operating costs. Any such contract shall be executed only after it has been jointly negotiated by the Authority and the 14 15 Department; and

16 <u>(p-5) To purchase special service area bonds and to accept</u> 17 <u>assignments or pledges, or both, of special service area bonds</u> 18 <u>or agreements relating to green special service area projects,</u> 19 <u>which authority shall be liberally construed; and</u>

20 (q) To exercise such other powers as are necessary or 21 incidental to the foregoing.

22 (Source: P.A. 93-205, eff. 1-1-04.)

23 (20 ILCS 3501/820-25)

24 Sec. 820-25. Unit of Local Government Participation. Any 25 unit of local government is authorized to voluntarily

participate in this program. Any unit of local government which 1 2 is authorized to issue, sell and deliver its local government securities under any provision of the Constitution or laws of 3 the State may issue, sell and deliver such local government 4 5 securities to the Authority under this Article; provided that and notwithstanding any other provision of law to the contrary, 6 any such unit of local government may issue and sell any such 7 8 local government security at any interest rate or rates, which 9 rate or rates may be established by an index or formula which 10 may be implemented by persons appointed or retained for those 11 purposes therefor, payable at such time or times, and at such 12 price or prices to which the unit of local government and the 13 Authority may agree. Any unit of local government may pay any 14 amount charged by the Authority pursuant to this Article. Any 15 unit of local government participating in this program may pay 16 out of the proceeds of its local government securities or out 17 of any other moneys or funds available to it for such purposes any costs, fees, interest deemed necessary, premium or reserves 18 incurred or required for financing or refinancing this program, 19 20 including without limitation any fees charged by the Authority pursuant to this Article and its share, as determined by the 21 22 Authority, of any costs, fees, interest deemed necessary, 23 premium or reserves incurred or required pursuant to Section 820-20 of this Act. All local government securities purchased 24 25 or otherwise acquired by the Authority pursuant to this Act shall upon delivery to the Authority be accompanied by an 26

approving opinion of bond counsel as to the validity of such 1 2 securities. The Authority shall have discretion to purchase or otherwise acquire those local government securities, as it 3 4 shall deem to be in the best interest of its financing program 5 for all units of local government taken as a whole. Any unit of 6 local government with the authority, in connection with green 7 special service area projects, to provide special service area tax financing under the Special Service Area Tax Law is 8 9 authorized to issue special service area bonds and sell or 10 assign those special service area bonds to the Authority or to 11 assign or pledge special service area bonds or agreements, or 12 both, to the Authority.

13 (Source: P.A. 93-205, eff. 1-1-04.)

#### 14 (20 ILCS 3501/820-37 new)

Sec. 820-37. Unit of local government participation; 15 16 bonds. The Authority may assist units of local government by establishing and implementing a program to issue their bonds 17 18 secured by special service area agreements assigned or pledged to the Authority by units of local government so as to provide 19 20 financing for green special service area projects. The bonds of 21 the Authority shall not constitute an indebtedness or 22 obligation of the Authority or the State, and it shall be 23 plainly stated on the face of each such bond that it does not 24 constitute an indebtedness or obligation of the Authority or the State but is payable solely from the revenues, income, or 25

|    | SB0116 - 10 - LRB099 06202 HLH 26264 b                          |
|----|---|
| 1  | other assets of the Authority that are pledged to the repayment |
| 2  | of those bonds. In assisting units of local government in       |
| 3  | financing green special service area projects, the Authority    |
| 4  | shall establish quality control standards that shall apply to   |
| 5  | those green special service area projects.                      |
| 6  | Section 10. The Property Tax Code is amended by changing        |
| 7  | Section 27-5 and by adding Section 27-97 as follows:            |
| 8  | (35 ILCS 200/27-5)  |
| 9  | Sec. 27-5. Short title; definitions. This Article may be        |
| 10 | cited as the Special Service Area Tax Law.                      |
| 11 | When used in this Article:                                      |
| 12 | "Energy efficiency improvement" means any installation,         |
| 13 | modification, or replacement that reduces energy consumption    |
| 14 | in any residential, commercial, or industrial building,         |
| 15 | structure, or other facility, including, but not limited to,    |
| 16 | all of the following:   |
| 17 | (1) insulation in walls, roofs, floors, foundations,            |
| 18 | and heating and cooling distribution systems;                   |
| 19 | (2) storm windows and doors, multiglazed windows and            |
| 20 | doors, heat-absorbing or heat-reflective glazed and coated      |
| 21 | window and door systems, additional glazing, reductions in      |
| 22 | glass area, and other window and door system modifications;     |
| 23 | (3) automatic energy control systems;                           |
| 24 | (4) high efficiency furnaces, lighting fixtures,                |

#### - 11 - LRB099 06202 HLH 26264 b

| 1  | ventilating, or air conditioning and distribution systems;      |
|----|---|
| 2  | (5) caulking and weather-stripping;                             |
| 3  | (6) facilities, improvements, or systems to bring               |
| 4  | natural daylight into buildings; and                            |
| 5  | (7) any other installation, modification, replacement,          |
| 6  | facility, improvement, rehabilitation, repair, or               |
| 7  | remodeling that is permanently affixed to the property and      |
| 8  | has the effect of reducing energy consumption.                  |
| 9  | For the purposes of levying a special service area tax on       |
| 10 | the real property on which the energy efficiency improvement is |
| 11 | located in a green special service area under the Special       |
| 12 | Service Area Tax Law in the Property Tax Code, any energy       |
| 13 | efficiency improvement shall be deemed to be real property.     |
| 14 | "Green special service area" means a special service area       |
| 15 | created pursuant to Section 27-97 of this Act for the purpose   |
| 16 | of providing special services that are energy efficiency        |
| 17 | improvements, renewable energy improvements, water use          |
| 18 | improvements, or a combination thereof. The corporate           |
| 19 | authorities of the municipality or county may establish (i)     |
| 20 | multiple green special service areas pursuant to a single       |
| 21 | ordinance or (ii) multiple buildings, structures, facilities,   |
| 22 | improvements, or lots or parcels of land within a single green  |
| 23 | special service area, which are not required to be contiguous.  |
| 24 | Revenues from multiple green special service areas and revenues |
| 25 | from multiple buildings, structures, facilities, improvements   |
| 26 | or lots or parcels of land within a single green special        |

| SB0116 | - 12 - | LRB099 | 06202 | HLH | 26264 | b |
|--------|--------|--------|-------|-----|-------|---|
|        |        |        |       |     |       |   |

service area may be aggregated for a pledge as security for
 bonds issued pursuant to Section 27-45 of this Act.

3 <u>"Green special service area project" means any energy</u>
4 <u>efficiency improvement, renewable energy improvement, or water</u>
5 <u>use improvement, or any combination thereof.</u>

6 "Renewable energy improvement" means any fixture, product, 7 system, device, or interacting group thereof, for or serving any residential, commercial, or industrial building, 8 9 structure, or other facility that is permanently affixed to the property and produces energy from renewable resources as 10 11 defined in Section 1-10 of the Illinois Power Agency Act. For 12 purposes of levying a special service area tax on the real 13 property on which the renewable energy improvement is located in a green special service area under the Special Service Area 14 Tax Law and the Property Tax Code, any renewable energy 15 16 improvement shall be deemed to be real property.

17 "Special Service Area" means a contiguous area, except as provided in this Act concerning green special service areas, 18 within a municipality or county in which special governmental 19 20 services are provided in addition to those services provided generally throughout the municipality or county, the cost of 21 22 the special services to be paid from revenues collected from 23 taxes levied or imposed upon property within that area. Territory shall be considered contiguous for purposes of this 24 25 Article even though certain completely surrounded portions of 26 the territory are excluded from the special service area. A

1 county may create a special service area within a municipality 2 or municipalities when the municipality or municipalities 3 consent to the creation of the special service area. A 4 municipality may create a special service area within a 5 municipality and the unincorporated area of a county or within 6 another municipality when the county or other municipality 7 consents to the creation of the special service area.

"Special Services" means all forms of services pertaining 8 9 to the government and affairs of the municipality or county, 10 including but not limited to weather modification, energy 11 efficiency improvements, renewable energy improvements, water 12 use improvements, and improvements permissible under Article 9 of the Illinois Municipal Code, and contracts for the supply of 13 water as described in Section 11-124-1 of the Illinois 14 15 Municipal Code which may be entered into by the municipality or 16 by the county on behalf of a county special service area.

17 "Water use improvement" means any fixture, product, system, device, or interacting group thereof, for or serving 18 19 any residential, commercial, or industrial building, 20 structure, or other facility that has the effect of conserving 21 water resources through improved water management or 22 efficiency. For the purposes of levying a special service area 23 tax on the real property on which the water use improvement is 24 located in a green special service area under the Special 25 Service Area Tax Law in the Property Tax Code, any water use improvement shall be deemed to be real property. 26

- 14 - LRB099 06202 HLH 26264 b

SB0116

1 (Source: P.A. 86-1324; 88-445.)

(35 ILCS 200/27-97 new) 2 3 Sec. 27-97. Green special service areas. 4 (a) The corporate authorities of a municipality or a county 5 may establish a green special service area, or multiple green 6 special service areas under a single ordinance, for the purpose 7 of arranging for and financing energy efficiency improvements, 8 renewable energy improvements, or water use improvements, the 9 financing of which shall constitute a public purpose. Each 10 green special service area shall include only property for 11 which each owner of record has executed a contract or agreement 12 consenting to the inclusion of the property within the green 13 special service area, and such contract or agreement may be entered into after the adoption of the ordinance by the 14 15 corporate authorities establishing the green special service 16 area. The inclusion, or, as applicable, deletion, of property within the green special service area after the adoption of the 17 18 ordinance by the corporate authorities establishing the green 19 special service area may be made either (i) by the adoption of 20 a supplemental or amending ordinance by the corporate 21 authorities or (ii) pursuant to authority in the establishing 22 ordinance designating one or more county or municipal officers, 23 as applicable, to include or delete other properties. Green 24 special service areas are exempt from the provisions of Sections 27-20, 27-25, 27-30, 27-35, 27-40, 27-50, 27-55, 25

| 1  | 27-60, 27-65, and 27-70 of the Special Service Area Tax Law. A  |
|--|---|
| 2  | municipality or a county may create a green special service   |
| 3  | area by an ordinance establishing the green special service   |
| 4  | area or multiple green special services areas. Notwithstanding  |
| 5  | anything in the Special Service Area Tax Law to the contrary, a   |
| 6  | county may establish a green special service area within a  |
| 7  | municipality without the consent of that municipality. Each   |
| 8  | owner of record of property within a green special service area   |
| 9  | may arrange for the specific energy efficiency improvements,  |
| 10   | renewable energy improvements, or water use improvements, and   |
| 11   | may obtain financing for such improvements through the process  |
| 12   | set forth in the ordinance establishing the green special   |
| 13   | service area. A green special service area may consist of a   |
|  |   |
| 14   | single building, structure, facility, improvement, or lot or  |
| 14<br>15   | single building, structure, facility, improvement, or lot or<br>parcel of land. The corporate authorities of a municipality or  |
|  |   |
| 15   | parcel of land. The corporate authorities of a municipality or  |
| 15<br>16   | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas   |
| 15<br>16<br>17                                     | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green   |
| 15<br>16<br>17<br>18                               | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,   |
| 15<br>16<br>17<br>18<br>19                         | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,<br>facilities, improvements, or lots or parcels of land, whether  |
| 15<br>16<br>17<br>18<br>19<br>20                   | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,<br>facilities, improvements, or lots or parcels of land, whether<br>or not those buildings, structures, facilities, improvements,   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21             | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,<br>facilities, improvements, or lots or parcels of land, whether<br>or not those buildings, structures, facilities, improvements,<br>lots, or parcels are contiguous. However, each green special   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22       | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,<br>facilities, improvements, or lots or parcels of land, whether<br>or not those buildings, structures, facilities, improvements,<br>lots, or parcels are contiguous. However, each green special<br>service area shall be established with respect to a single   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22<br>23 | parcel of land. The corporate authorities of a municipality or<br>a county may establish multiple green special service areas<br>pursuant to a single ordinance or may, within a single green<br>special service area, identify multiple buildings, structures,<br>facilities, improvements, or lots or parcels of land, whether<br>or not those buildings, structures, facilities, improvements,<br>lots, or parcels are contiguous. However, each green special<br>service area shall be established with respect to a single<br>contract or agreement. Revenues derived from special service |

| 1                    | special service area may be aggregated for a pledge as security  |
|----------------------|--|
| 2                    | for bonds issued pursuant to Section 27-45 of the Special  |
| 3                    | Service Area Tax Law. Municipalities and counties shall have   |
| 4                    | the power to issue bonds under Section 27-45 of the Special  |
| 5                    | Service Area Tax Law for the public purposes set forth in this   |
| 6                    | Section 27-97; provided that it shall not be necessary to give   |
|                      |  |
| 7                    | notice of or to conduct a public hearing, as required in   |
| 8                    | Section 27-45 of the Special Service Area Tax Law, in  |
| 9                    | connection with the issuance of those bonds, as otherwise  |
| 10                   | required by Section 27-45 of the Special Service Area Tax Law.   |
| 11                   | (b) The corporate authorities of a county or municipality  |
| 12                   | that establish a green special service area shall have the   |
| 13                   | power to levy a special service area tax on the real property  |
| 14                   | on which the energy use improvements, the renewable energy   |
| 15                   | improvements, and the water use improvements are located if  |
| 16                   | each owner of record has entered into a contract or agreement  |
| 17                   | for those energy efficiency improvements, those renewable  |
| 18                   |  |
|                      | energy improvements, and those water use improvements. It is   |
| 19                   | energy improvements, and those water use improvements. It is not necessary to file a copy of the notice of public hearing  |
| 19<br>20             |  |
|                      | not necessary to file a copy of the notice of public hearing   |
| 20                   | not necessary to file a copy of the notice of public hearing<br>with the County Clerk as otherwise required by Section 27-75 of  |
| 20<br>21             | not necessary to file a copy of the notice of public hearing<br>with the County Clerk as otherwise required by Section 27-75 of<br>the Special Service Area Tax Law. The contract or agreement   |
| 20<br>21<br>22       | not necessary to file a copy of the notice of public hearing<br>with the County Clerk as otherwise required by Section 27-75 of<br>the Special Service Area Tax Law. The contract or agreement<br>entered into with the owner of the property shall be conclusive  |
| 20<br>21<br>22<br>23 | not necessary to file a copy of the notice of public hearing<br>with the County Clerk as otherwise required by Section 27-75 of<br>the Special Service Area Tax Law. The contract or agreement<br>entered into with the owner of the property shall be conclusive<br>as to the due authorization and establishment of the applicable |

| 1  | service area taxes to be levied and extended against the real   |
|----|---|
| 2  | property on which such energy efficiency improvements, such     |
| 3  | renewable energy improvements and such water use improvements   |
| 4  | are located. A contract or agreement may specify the amount of  |
| 5  | the special service area taxes levied pursuant to this Section  |
| 6  | on the real property on which the applicable energy efficiency  |
| 7  | improvements, renewable energy improvements, water use          |
| 8  | improvements, or a combination thereof are located or as        |
| 9  | applicable to the principal of and interest on bonds issued,    |
| 10 | including as a part of a larger pooled or composite issue, for  |
| 11 | financing such energy efficiency improvements, renewable        |
| 12 | energy improvements or water use improvements. The specified    |
| 13 | special service area tax levies in a contract or agreement when |
| 14 | recorded as provided in subsection (c) of this Section and      |
| 15 | filed in the office of the recorder of the county where the     |
| 16 | real property is located shall be authority for each affected   |
| 17 | municipality or county to extend and collect the levied special |
| 18 | service area taxes for the applicable municipality or county,   |
| 19 | or both, with respect to each such contract or agreement.       |
| 20 | In the event that a municipality establishes a green            |
| 21 | special service area pursuant to this Section, the county clerk |
| 22 | of the county in which the green special service area is        |
| 23 | located may agree to extend, and the county collector of that   |
| 24 | county may agree to collect, distribute, and account for, the   |
| 25 | special service area taxes on behalf of the municipality upon   |
| 26 | the establishment of the green special service area or at any   |

- 18 - LRB099 06202 HLH 26264 b

| SI | $2 \cap 1$ | 1 | 6 |
|----|------------|---|---|

| 1  | time thereafter. Upon agreement, the county clerk shall         |
|----|---|
| 2  | continue to extend, and the county collector shall continue to  |
| 3  | collect, distribute, and account for the levied special service |
| 4  | area taxes until the green special service area is dissolved.   |
| 5  | If the county clerk and the county collector agree to extend,   |
| 6  | collect, and account for the levied special service area taxes, |
| 7  | the ordinance levying the special service area taxes in a green |
| 8  | special service area shall be filed with the county clerk of    |
| 9  | that county. A municipality that establishes a green special    |
| 10 | service area may extend and collect the special service area    |
| 11 | taxes, and send out a separate tax bill with respect to those   |
| 12 | levied taxes.   |
| 13 | (c) The contract or agreement in subsection (b) of this         |

(c) The contract or agreement in subsection (b) of this 13 Section shall be in recordable form and shall be recorded in 14 the office of the recorder in the county where the real 15 16 property is located. Notwithstanding any other law to the 17 contrary, a lien created by such recording shall not be senior to or in any manner have priority over any mortgage, judgment, 18 or other lien upon the underlying parcel that was recorded 19 20 prior to the recording of the contract or agreement identified 21 in subsection (b).

(d) Any municipality or county with the authority to provide special service area financing in connection with green special service area projects, as provided in the Special Service Area Tax Law, may do any of the following: (i) issue special service area bonds pursuant to Section 27-45 of the Special Service Area Tax Law, as provided in subsection (a) of this Section, (ii) sell or assign those bonds to the Illinois Finance Authority, and (iii) assign or pledge those special service area bonds, agreements relating to green special service area projects, or both to the Illinois Finance Authority.

7 <u>(e) This Section shall be liberally construed to effect the</u> 8 <u>legislative purpose of enabling property owners to make energy</u> 9 <u>efficiency improvements, renewable energy improvements, or</u> 10 <u>water use improvements, or any combination thereof, to their</u> 11 <u>properties.</u>

- Section 15. The Counties Code is amended by changing Section 5-1005 as follows:
- 14 (55 ILCS 5/5-1005) (from Ch. 34, par. 5-1005)

15 Sec. 5-1005. Powers. Each county shall have power:

16 1. To purchase and hold the real and personal estate 17 necessary for the uses of the county, and to purchase and 18 hold, for the benefit of the county, real estate sold by 19 virtue of judicial proceedings in which the county is 20 plaintiff.

2. To sell and convey or lease any real or personalestate owned by the county.

3. To make all contracts and do all other acts inrelation to the property and concerns of the county

1

SB0116

necessary to the exercise of its corporate powers.

4. To take all necessary measures and institute
proceedings to enforce all laws for the prevention of
cruelty to animals.

5 5. To purchase and hold or lease real estate upon which 6 may be erected and maintained buildings to be utilized for 7 purposes of agricultural experiments and to purchase, hold 8 and use personal property for the care and maintenance of 9 such real estate in connection with such experimental 10 purposes.

6. To cause to be erected, or otherwise provided, 11 12 suitable buildings for, and maintain a county hospital and necessary branch hospitals and/or a county sheltered care 13 14 home or county nursing home for the care of such sick, 15 chronically ill or infirm persons as may by law be proper 16 charges upon the county, or upon other governmental units, 17 and to provide for the management of the same. The county board may establish rates to be paid by persons seeking 18 19 care and treatment in such hospital or home in accordance 20 with their financial ability to meet such charges, either 21 personally or through a hospital plan or hospital 22 insurance, and the rates to be paid by governmental units, 23 including the State, for the care of sick, chronically ill 24 or infirm persons admitted therein upon the request of such 25 governmental units. Any hospital maintained by a county 26 under this Section is authorized to provide any service and SB0116

1 enter into any contract or other arrangement not prohibited 2 for a hospital that is licensed under the Hospital 3 Licensing Act, incorporated under the General Not-For-Profit Corporation Act, and exempt from taxation 4 5 under paragraph (3) of subsection (c) of Section 501 of the 6 Internal Revenue Code.

7 7. To contribute such sums of money toward erecting,
8 building, maintaining, and supporting any non-sectarian
9 public hospital located within its limits as the county
10 board of the county shall deem proper.

8. To purchase and hold real estate for the
preservation of forests, prairies and other natural areas
and to maintain and regulate the use thereof.

9. To purchase and hold real estate for the purpose of
preserving historical spots in the county, to restore,
maintain and regulate the use thereof and to donate any
historical spot to the State.

18 10. To appropriate funds from the county treasury to be 19 used in any manner to be determined by the board for the 20 suppression, eradication and control of tuberculosis among 21 domestic cattle in such county.

11. To take all necessary measures to prevent forest
fires and encourage the maintenance and planting of trees
and the preservation of forests.

25 12. To authorize the closing on Saturday mornings of26 all offices of all county officers at the county seat of

each county, and to otherwise regulate and fix the days and 1 2 the hours of opening and closing of such offices, except 3 when the days and the hours of opening and closing of the office of any county officer are otherwise fixed by law; 4 5 but the power herein conferred shall not apply to the office of State's Attorney and the offices of judges and 6 7 clerks of courts and, in counties of 500,000 or more 8 population, the offices of county clerk.

9 13. To provide for the conservation, preservation and 10 propagation of insectivorous birds through the expenditure 11 of funds provided for such purpose.

12 14. To appropriate funds from the county treasury and 13 expend the same for care and treatment of tuberculosis 14 residents.

15 15. In counties having less than 1,000,000 16 inhabitants, to take all necessary or proper steps for the 17 extermination of mosquitoes, flies or other insects within 18 the county.

19 16. To install an adequate system of accounts and financial records in the offices and divisions of the 20 21 county, suitable to the needs of the office and in 22 accordance with generally accepted principles of 23 accounting for governmental bodies, which system may 24 include such reports as the county board may determine.

25 17. To purchase and hold real estate for the26 construction and maintenance of motor vehicle parking

1 facilities for persons using county buildings, but the 2 purchase and use of such real estate shall not be for 3 revenue producing purposes.

18. To acquire and hold title to real property located 4 5 within the county, or partly within and partly outside the county by dedication, purchase, gift, legacy or lease, for 6 7 park and recreational purposes and to charge reasonable 8 fees for the use of or admission to any such park or 9 recreational area and to provide police protection for such 10 park or recreational area. Personnel employed to provide 11 such police protection shall be conservators of the peace 12 within such park or recreational area and shall have power to make arrests on view of the offense or upon warrants for 13 14 violation of any of the ordinances governing such park or 15 recreational area or for any breach of the peace in the 16 same manner as the police in municipalities organized and 17 existing under the general laws of the State. All such real property outside the county shall be contiguous to the 18 19 county and within the boundaries of the State of Illinois.

20 19. To appropriate funds from the county treasury to be 21 used to provide supportive social services designed to 22 prevent the unnecessary institutionalization of elderly 23 residents, or, for operation of, and equipment for, senior 24 citizen centers providing social services to elderly 25 residents.

26

20. To appropriate funds from the county treasury and

SB0116

loan such funds to a county water commission created under the "Water Commission Act", approved June 30, 1984, as now or hereafter amended, in such amounts and upon such terms as the county may determine or the county and the commission may agree. The county shall not under any circumstances be obligated to make such loans. The county shall not be required to charge interest on any such loans.

8 21. To appropriate and expend funds from the county 9 treasury for economic development purposes, including the 10 making of grants to any other governmental entity or 11 commercial enterprise deemed necessary or desirable for 12 the promotion of economic development in the county.

13 22. To lease space on a telecommunications tower to a14 public or private entity.

15 23. In counties having a population of 100,000 or less 16 and a public building commission organized by the county seat of the county, to cause to be erected or otherwise 17 provided, and to maintain or cause to be maintained, 18 19 suitable facilities to house students pursuing a 20 post-secondary education at an academic institution 21 located within the county. The county may provide for the 22 management of the facilities.

23 <u>24. To engage in and undertake activities related to</u>
 24 <u>and in connection with energy efficiency improvements,</u>
 25 <u>renewable energy improvements, and water use improvements,</u>
 26 <u>all as defined in the Special Service Area Tax Law,</u>

- 25 - LRB099 06202 HLH 26264 b

including, but not limited to, green special service area 1 2 tax financing for energy efficiency improvements, 3 renewable energy improvements, and water use improvements whether on public or private property, under the Special 4 Service Area Tax Law. This item shall be liberally 5 construed to effect the legislative purpose of enabling 6 7 property owners to make energy efficiency improvements, renewable energy improvements, and water use improvements 8 9 to or serving the designated properties.

All contracts for the purchase of coal under this Section shall be subject to the provisions of "An Act concerning the use of Illinois mined coal in certain plants and institutions", filed July 13, 1937, as amended.

14 (Source: P.A. 95-197, eff. 8-16-07; 95-813, eff. 1-1-09; 15 96-622, eff. 8-24-09.)

16 Section 20. The Illinois Municipal Code is amended by 17 adding Division 15.4 to Article 11 as follows:

18 (65 ILCS 5/Art. 11 Div. 15.4 heading new)

19

DIVISION 15.4. GREEN SPECIAL SERVICE AREAS

20 (65 ILCS 5/11-15.4-1 new)

21 <u>Sec. 11-15.4-1. Green special service areas. Each</u> 22 <u>municipality shall have the power and authority to engage in</u> 23 <u>and undertake activities related to and in connection with</u> - 26 - LRB099 06202 HLH 26264 b

| 1  | energy efficiency improvements, renewable energy improvements, |
|----|--|
| 2  | and water use improvements, all as defined in the Special      |
| 3  | Service Area Tax Law, including, but not limited to, green     |
| 4  | special service area tax financing for those energy efficiency |
| 5  | improvements, renewable energy improvements, and water use     |
| 6  | improvements whether on public or private property, under the  |
| 7  | Special Service Area Tax Law. This Section shall be liberally  |
| 8  | construed to effect the legislative purpose of enabling        |
| 9  | property owners to make energy efficiency improvements,        |
| 10 | renewable energy improvements, or water use improvements to or |
| 11 | serving the designated properties.                             |

Section 99. Effective date. This Act takes effect upon becoming law.

|    | SB0116                  | - 27 - LRB099 06202 HLH 26264 b |
|----|-------------------------|---------------------------------|
| 1  |                         | INDEX                           |
| 2  | Statutes amende         | d in order of appearance        |
|    |                         |                                 |
| 3  | 20 ILCS 3501/820-10     |                                 |
| 4  | 20 ILCS 3501/820-20     |                                 |
| 5  | 20 ILCS 3501/820-25     |                                 |
| 6  | 20 ILCS 3501/820-37 new |                                 |
| 7  | 35 ILCS 200/27-5        |                                 |
| 8  | 35 ILCS 200/27-97 new   |                                 |
| 9  | 55 ILCS 5/5-1005        | from Ch. 34, par. 5-1005        |
| 10 | 65 ILCS 5/Art. 11 Div.  |                                 |
| 11 | 15.4 heading new        |                                 |
| 12 | 65 ILCS 5/11-15.4-1 new |                                 |