

AN ACT concerning local government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Municipal Code is amended by changing Sections 8-4-1, 11-74.3-1, 11-74.3-2, 11-74.3-3, 11-74.3-4, 11-74.3-5, and 11-74.3-6 and by adding Section 11-74.3-7 as follows:

(65 ILCS 5/8-4-1) (from Ch. 24, par. 8-4-1)

Sec. 8-4-1. No bonds shall be issued by the corporate authorities of any municipality until the question of authorizing such bonds has been submitted to the electors of that municipality provided that notice of the bond referendum, if held before July 1, 1999, has been given in accordance with the provisions of Section 12-5 of the Election Code in effect at the time of the bond referendum, at least 10 and not more than 45 days before the date of the election, notwithstanding the time for publication otherwise imposed by Section 12-5, and approved by a majority of the electors voting upon that question. Notices required in connection with the submission of public questions on or after July 1, 1999 shall be as set forth in Section 12-5 of the Election Code. The clerk shall certify the proposition of the corporate authorities to the proper election authority who shall submit the question at an election

in accordance with the general election law, subject to the notice provisions set forth in this Section.

Notice of any such election shall contain the amount of the bond issue, purpose for which issued, and maximum rate of interest.

However, without the submission of the question of issuing bonds to the electors, the corporate authorities of any municipality may authorize the issuance of any of the following bonds:

(1) Bonds to refund any existing bonded indebtedness;

(2) Bonds to fund or refund any existing judgment indebtedness;

(3) In any municipality of less than 500,000 population, bonds to anticipate the collection of installments of special assessments and special taxes against property owned by the municipality and to anticipate the collection of the amount apportioned to the municipality as public benefits under Article 9;

(4) Bonds issued by any municipality under Sections 8-4-15 through 8-4-23, 11-23-1 through 11-23-12, 11-25-1 through 11-26-6, 11-71-1 through 11-71-10, 11-74.3-1 through 11-74.3-7, 11-74.4-1 through 11-74.4-11, 11-74.5-1 through 11-74.5-15, 11-94-1 through 11-94-7, 11-102-1 through 11-102-10, 11-103-11 through 11-103-15, 11-118-1 through 11-118-6, 11-119-1 through 11-119-5, 11-129-1 through 11-129-7, 11-133-1 through 11-133-4, 11-139-1 through

11-139-12, 11-141-1 through 11-141-18 of this Code or 10-801 through 10-808 of the Illinois Highway Code, as amended;

(5) Bonds issued by the board of education of any school district under the provisions of Sections 34-30 through 34-36 of The School Code, as amended;

(6) Bonds issued by any municipality under the provisions of Division 6 of this Article 8; and by any municipality under the provisions of Division 7 of this Article 8; or under the provisions of Sections 11-121-4 and 11-121-5;

(7) Bonds to pay for the purchase of voting machines by any municipality that has adopted Article 24 of The Election Code, approved May 11, 1943, as amended;

(8) Bonds issued by any municipality under Sections 15 and 46 of the "Environmental Protection Act", approved June 29, 1970;

(9) Bonds issued by the corporate authorities of any municipality under the provisions of Section 8-4-25 of this Article 8;

(10) Bonds issued under Section 8-4-26 of this Article 8 by any municipality having a board of election commissioners;

(11) Bonds issued under the provisions of "An Act to provide the manner of levying or imposing taxes for the provision of special services to areas within the boundaries of home rule units and nonhome rule municipalities and counties", approved September 21, 1973;

(12) Bonds issued under Section 8-5-16 of this Code;

(13) Bonds to finance the cost of the acquisition, construction or improvement of water or wastewater treatment facilities mandated by an enforceable compliance schedule developed in connection with the federal Clean Water Act or a compliance order issued by the United States Environmental Protection Agency or the Illinois Pollution Control Board; provided that such bonds are authorized by an ordinance adopted by a three-fifths majority of the corporate authorities of the municipality issuing the bonds which ordinance shall specify that the construction or improvement of such facilities is necessary to alleviate an emergency condition in such municipality;

(14) Bonds issued by any municipality pursuant to Section 11-113.1-1;

(15) Bonds issued under Sections 11-74.6-1 through 11-74.6-45, the Industrial Jobs Recovery Law of this Code.

(Source: P.A. 90-706, eff. 8-7-98; 90-812, eff. 1-26-99; 91-57, eff. 6-30-99.)

(65 ILCS 5/11-74.3-1) (from Ch. 24, par. 11-74.3-1)

Sec. 11-74.3-1. Division short title; declaration of public purpose. ~~It is hereby found and declared:~~ This Division 74.3 may be cited as the Business District Development and Redevelopment Law.

It is hereby found and declared:

(1) It is ~~may be considered~~ essential to the economic and

social welfare of each municipality that business districts be developed, redeveloped, improved, maintained, and revitalized, that jobs and opportunity for employment be created within the municipality, and that, if blighting conditions are present, blighting conditions be eradicated by assuring opportunities for development or redevelopment, encouraging private investment, and attracting sound and stable business and commercial growth. It is further found and determined that as a result of economic conditions unfavorable to the creation, development, improvement, maintenance, and redevelopment of certain business and commercial areas within municipalities opportunities for private investment and sound and stable commercial growth have been and will continue to be negatively impacted and business and commercial areas within many municipalities have deteriorated and will continue to deteriorate, thereby causing a serious menace to the health, safety, morals, and general welfare of the people of the entire State, unemployment, a decline in tax revenues, excessive and disproportionate expenditure of public funds, inadequate public and private investment, the unmarketability of property, and the growth of delinquencies and crime. In order to reduce threats to and to promote and protect the health, safety, morals, and welfare of the public and to provide incentives which will create employment and job opportunities, will retain commercial businesses in the State and related job opportunities and will eradicate blighting conditions if

blighting conditions are present, and for the relief of unemployment and the maintenance of existing levels of employment, it is essential that plans for business districts be created and implemented and that business districts be created, developed, improved, maintained, and redeveloped.

(2) The creation, development, improvement, maintenance, and redevelopment of business districts will stimulate economic activity in the State, create and maintain jobs, increase tax revenues, encourage the creation of new and lasting infrastructure, other improvements, and facilities, and cause the attraction and retention of businesses and commercial enterprises which generate economic activity and services and increase the general tax base, including, but not limited to, increased retail sales, hotel or restaurant sales, manufacturing sales, or entertainment industry sales, thereby increasing employment and economic growth.

(3) It is hereby declared to be the policy of the State, in the interest of promoting the health, safety, morals, and general welfare of all the people of the State, to provide incentives which will create new job opportunities and retain existing commercial businesses within the State and related job opportunities, and it is further determined and declared that the relief of conditions of unemployment, the maintenance of existing levels of employment, the creation of new job opportunities, the retention of existing commercial businesses, the increase of industry and commerce within the

State, the reduction of the evils attendant upon unemployment, and the increase and maintenance of the tax base of the State and its political subdivisions are public purposes and for the public safety, benefit, and welfare of the residents of this State.

(4) The exercise of the powers provided in this Law is dedicated to the promotion of the public interest, to the enhancement of the tax base within business districts, municipalities, and the State and its political subdivisions, the creation of employment, and the eradication of blight, if present within the business district, and the use of such powers for the creation, development, improvement, maintenance, and redevelopment of business districts of a municipality is hereby declared to be for the public safety, benefit, and welfare of the residents of the State and essential to the public interest and declared to be for public purposes.

~~(2) Such a result should conform with a comprehensive plan of the municipality and a specific plan for business districts officially approved by the corporate authorities of the municipality after public hearings.~~

~~(3) The exercise of the powers provided in this Division is dedicated to the promotion of the public interest and to the enhancement of the tax base of business districts, and the use of such powers for the development and redevelopment of business districts of a municipality is hereby declared to be a~~

~~public use essential to the public interest.~~

(Source: P.A. 78-793.)

(65 ILCS 5/11-74.3-2) (from Ch. 24, par. 11-74.3-2)

Sec. 11-74.3-2. Procedures to designate business districts; ordinances; notice; hearings.

(a) The corporate authorities of a municipality shall by ordinance propose the approval of a business district plan and designation of a business district and shall fix a time and place for a public hearing on the proposals to approve a business district plan and designate a business district.

(b) Notice of the public hearing shall be given by publication at least twice, the first publication to be not more than 30 nor less than 10 days prior to the hearing, in a newspaper of general circulation within the municipality. Each notice published pursuant to this Section shall include the following:

(1) The time and place of the public hearing;

(2) The boundaries of the proposed business district by legal description and, where possible, by street location;

(3) A notification that all interested persons will be given an opportunity to be heard at the public hearing;

(4) A description of the business district plan if a business district plan is a subject matter of the public hearing;

(5) The rate of any tax to be imposed pursuant to

subsection (11) or (12) of Section 11-74.3-3;

(6) An invitation for any person to submit alternate proposals or bids for any proposed conveyance, lease, mortgage, or other disposition by the municipality of land or rights in land owned by the municipality and located within the proposed business district; and

(7) Such other matters as the municipality shall deem appropriate.

(c) At the public hearing any interested person may file written objections with the municipal clerk and may be heard orally with respect to any matters embodied in the notice. The municipality shall hear and determine all alternate proposals or bids for any proposed conveyance, lease, mortgage, or other disposition by the municipality of land or rights in land owned by the municipality and located within the proposed business district and all protests and objections at the hearing, provided, however, that the corporate authorities of the municipality may establish reasonable rules regarding the length of time provided to members of the general public. The hearing may be adjourned to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the adjourned hearing. Public hearings with regard to approval of a business district plan or designation of a business district may be held simultaneously.

(d) At the public hearing or at any time prior to the adoption by the municipality of an ordinance approving a

business district plan, the municipality may make changes in the business district plan. Changes which do not (i) alter the exterior boundaries of the proposed business district, (ii) substantially affect the general land uses described in the proposed business district plan, (iii) substantially change the nature of any proposed business district project, (iv) change the description of any proposed developer, user, or tenant of any property to be located or improved within the proposed business district, (v) increase the total estimated business district project costs set out in the business district plan by more than 5%, (vi) add additional business district costs to the itemized list of estimated business district costs as proposed in the business district plan, or (vii) impose or increase the rate of any tax to be imposed pursuant to subsection (11) or (12) of Section 11-74.3-3 may be made by the municipality without further public hearing, provided the municipality shall give notice of its changes by publication in a newspaper of general circulation within the municipality. Such notice by publication shall be given not later than 30 days following the adoption of an ordinance approving such changes. Changes which (i) alter the exterior boundaries of the proposed business district, (ii) substantially affect the general land uses described in the proposed business district plan, (iii) substantially change the nature of any proposed business district project, (iv) change the description of any proposed developer, user, or

tenant of any property to be located or improved within the proposed business district, (v) increase the total estimated business district project costs set out in the business district plan by more than 5%, (vi) add additional business district costs to the itemized list of estimated business district costs as proposed in the business district plan, or (vii) impose or increase the rate of any tax to be imposed pursuant to subsection (11) or (12) of Section 11-74.3-3 may be made by the municipality only after the municipality by ordinance fixes a time and place for, gives notice by publication of, and conducts a public hearing pursuant to the procedures set forth hereinabove.

(e) By ordinance adopted within 90 days of the final adjournment of the public hearing a municipality may approve the business district plan and designate the business district. Any ordinance adopted which approves a business district plan shall contain findings that the business district on the whole has not been subject to growth and development through investment by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan. Any ordinance adopted which designates a business district shall contain the boundaries of such business district by legal description and, where possible, by street location, a finding that the business district plan conforms to the comprehensive plan for the development of the municipality as a whole, or, for

municipalities with a population of 100,000 or more, regardless of when the business district plan was approved, the business district plan either (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority or the municipality or (ii) includes land uses that have been approved by the planning commission of the municipality, and, for any business district in which the municipality intends to impose taxes as provided in subsection (11) or (12) of Section 11-74.3-3, a specific finding that the business district qualifies as a blighted area as defined in Section 11-74.3-5.

(f) After a municipality has by ordinance approved a business district plan and designated a business district, the plan may be amended, the boundaries of the business district may be altered, and the taxes provided for in subsections (11) and (12) of Section 11-74.3-3 may be imposed or altered only as provided in this subsection. Changes which do not (i) alter the exterior boundaries of the proposed business district, (ii) substantially affect the general land uses described in the business district plan, (iii) substantially change the nature of any business district project, (iv) change the description of any developer, user, or tenant of any property to be located or improved within the proposed business district, (v) increase the total estimated business district project costs set out in the business district plan by more than 5% after adjustment for inflation from the date the business district plan was

approved, (vi) add additional business district costs to the itemized list of estimated business district costs as approved in the business district plan, or (vii) impose or increase the rate of any tax to be imposed pursuant to subsection (11) or (12) of Section 11-74.3-3 may be made by the municipality without further public hearing, provided the municipality shall give notice of its changes by publication in a newspaper of general circulation within the municipality. Such notice by publication shall be given not later than 30 days following the adoption of an ordinance approving such changes. Changes which (i) alter the exterior boundaries of the business district, (ii) substantially affect the general land uses described in the business district plan, (iii) substantially change the nature of any business district project, (iv) change the description of any developer, user, or tenant of any property to be located or improved within the proposed business district, (v) increase the total estimated business district project costs set out in the business district plan by more than 5% after adjustment for inflation from the date the business district plan was approved, (vi) add additional business district costs to the itemized list of estimated business district costs as approved in the business district plan, or (vii) impose or increase the rate of any tax to be imposed pursuant to subsection (11) or (12) of Section 11-74.3-3 may be made by the municipality only after the municipality by ordinance fixes a time and place for, gives

notice by publication of, and conducts a public hearing pursuant to the procedures set forth in this Section.

~~The corporate authorities of a municipality may designate, after public hearings, an area of the municipality as a Business District.~~

(Source: P.A. 78-793.)

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

Sec. 11-74.3-3. Powers of municipalities. In addition to the powers a municipality may now have, ~~a~~ ~~In carrying out a business district development or redevelopment plan, the corporate authorities of each~~ municipality shall have the following powers:

(1) To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (11)) the

municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon successor corporate authorities of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.

(2) Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality, or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.

(2.5) To acquire property by eminent domain in accordance with the Eminent Domain Act.

(3) To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.

(4) To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.

(5) To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.

(6) To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.

(7) To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.

(8) To pay or cause to be paid business district project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant

to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. The municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.

(9) To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.

(10) If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.

(11) If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the

business district plan approved by the municipality.

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

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

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

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

~~(5) To borrow funds as it may be deemed necessary for the purpose of business district development and redevelopment, and in this connection issue such obligation or revenue bonds as it shall be deemed necessary, subject to applicable statutory limitations.~~

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

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

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

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

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

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

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

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

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

~~payment of business district project costs.~~

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

(Source: P.A. 93-1053, eff. 1-1-05.)

(65 ILCS 5/11-74.3-4) (from Ch. 24, par. 11-74.3-4)

Sec. 11-74.3-4. The powers granted to municipalities in this Law Division shall not be construed as a limitation on the powers of a home rule municipality granted by Article VII of the Illinois Constitution.

(Source: P.A. 78-793.)

(65 ILCS 5/11-74.3-5)

Sec. 11-74.3-5. Definitions. ~~Business district; additional procedures for designation of district and approval of development or redevelopment plan.~~

The following terms as used in this Law shall have the following meanings:

"Blighted area" means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic

or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.

"Business district" means a contiguous area which includes only parcels of real property directly and substantially benefited by the proposed business district plan. A business district may, but need not be, a blighted area, but no municipality shall be authorized to impose taxes pursuant to subsection (11) or (12) of Section 11-74.3-3 in a business district which has not been determined by ordinance to be a blighted area under this Law.

"Business district plan" shall mean the written plan for the development or redevelopment of a business district. Each business district plan shall set forth in writing: (i) a specific description of the boundaries of the proposed business district, including a map illustrating the boundaries; (ii) a general description of each project proposed to be undertaken within the business district, including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed business district; (iii) the name of the proposed business district; (iv) the estimated business district project costs; (v) the anticipated source of funds to pay business district project costs; (vi) the anticipated type and terms of any obligations to be issued; and (vii) the rate of any tax to be imposed pursuant to subsection (11) or (12) of Section 11-74.3-3 and the period of time for which the tax

shall be imposed.

"Business district project costs" shall mean and include the sum total of all costs incurred by a municipality, other governmental entity, or nongovernmental person in connection with a business district, in the furtherance of a business district plan, including, without limitation, the following:

(1) costs of studies, surveys, development of plans and specifications, implementation and administration of a business district plan, and personnel and professional service costs including architectural, engineering, legal, marketing, financial, planning, or other professional services, provided that no charges for professional services may be based on a percentage of tax revenues received by the municipality;

(2) property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;

(3) site preparation costs, including but not limited to clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements and clearing and grading of land;

(4) costs of installation, repair, construction, reconstruction, extension, or relocation of public

streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;

(5) costs of renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by those developers or nongovernmental persons;

(6) costs of installation or construction within the business district of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;

(7) financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under this Law that accrues during the estimated period of construction of any development or redevelopment

project for which those obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and

(8) relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law.

"Business district tax allocation fund" means the special fund to be established by a municipality for a business district as provided in Section 11-74.3-6.

"Dissolution date" means the date on which the business district tax allocation fund shall be dissolved. The dissolution date shall be not later than 270 days following payment to the municipality of the last distribution of taxes as provided in Section 11-74.3-6.

~~If the corporate authorities of a municipality desire to impose a tax by ordinance pursuant to subsection (12) or (13) of Section 11-74.3-3, the following additional procedures shall apply to the designation of the business district and the approval of the business district development or redevelopment plan:~~

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

~~(2) The area proposed to be designated as a business~~

~~district must be contiguous and must include only parcels of real property directly and substantially benefited by the proposed business district development or redevelopment plan.~~

~~(3) The corporate authorities of the municipality shall make a formal finding of the following: (i) the business district is a blighted area that, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use; and (ii) the business district on the whole has not been subject to growth and development through investment by private enterprises or would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district development or redevelopment plan.~~

~~(4) The proposed business district development or redevelopment plan shall set forth in writing: (i) a specific description of the proposed boundaries of the district, including a map illustrating the boundaries; (ii) a general description of each project proposed to be~~

~~undertaken within the business district, including a description of the approximate location of each project; (iii) the name of the proposed business district; (iv) the estimated business district project costs; (v) the anticipated source of funds to pay business district project costs; (vi) the anticipated type and terms of any obligations to be issued; and (vii) the rate of any tax to be imposed pursuant to subsection (12) or (13) of Section 11-74.3-3 and the period of time for which the tax shall be imposed.~~

(Source: P.A. 93-1053, eff. 1-1-05.)

(65 ILCS 5/11-74.3-6)

Sec. 11-74.3-6. Business district revenue and obligations; business district tax allocation fund.

(a) If the corporate authorities of a municipality have approved a business district ~~development or redevelopment plan, have designated a business district,~~ and have elected to impose a tax by ordinance pursuant to subsection (11) or (12) of Section 11-74.3-3, then ~~subsections (b), (c), or (d) of this Section,~~ each year after the date of the approval of the ordinance but terminating upon the date ~~and until~~ all business district project costs and all ~~municipal~~ obligations paying or reimbursing ~~financing the~~ business district project costs, if any, have been paid ~~in accordance with the business district development or redevelopment plan,~~ but in no event later ~~longer~~

than ~~23 years after~~ the dissolution date ~~of adoption of the ordinance approving the business district development or redevelopment plan,~~ all amounts generated by the retailers' occupation tax and service occupation tax shall be collected and the tax shall be enforced by the Department of Revenue in the same manner as all retailers' occupation taxes and service occupation taxes imposed in the municipality imposing the tax and all amounts generated by the hotel operators' occupation tax shall be collected and the tax shall be enforced by the municipality in the same manner as all hotel operators' occupation taxes imposed in the municipality imposing the tax. The corporate authorities of the municipality shall deposit the proceeds of the taxes imposed under subsections (11) and (12) of Section 11-74.3-3 ~~(b), (c), and (d)~~ into a special fund ~~held by the corporate authorities~~ of the municipality called the "[Name of] Business District Tax Allocation Fund" for the purpose of paying or reimbursing business district project costs and obligations incurred in the payment of those costs.

(b) The corporate authorities of a municipality that has designated ~~established~~ a business district under this Law ~~Division 74.3~~ may, by ordinance ~~or resolution~~, impose a Business District Retailers' Occupation Tax upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of this State's government, at retail in the business district at a rate not to exceed 1% of the

gross receipts from the sales made in the course of such business, to be imposed only in 0.25% increments. The tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use.

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration that is issued by the Department to a retailer under the Retailers' Occupation Tax Act shall permit the retailer to engage in a business that is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with, this

subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure, as are prescribed in Sections 1, 1a through 1o, 2 through 2-65 (in respect to all provisions therein other than the State rate of tax), 2c through 2h, 3 (except as to the disposition of taxes and penalties collected), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers' Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

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

Whenever the Department determines that a refund should be made under this subsection to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified and to the person named in the notification from the Department. The refund shall be paid by the State

Treasurer out of the business district retailers' occupation tax fund.

The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which retailers have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit memoranda) collected under this subsection during the second preceding calendar month by the Department plus an amount the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department, less 2% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, on behalf of such municipality, and not including any amount that the Department determines is

necessary to offset any amounts that were payable to a different taxing body but were erroneously paid to the municipality. Within 10 days after receipt by the Comptroller of the disbursement certification to the municipalities provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in the certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

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

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of

the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district and each address in the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the

Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

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

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

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

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

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

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

The tax imposed under this subsection and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the Retailers' Occupation Tax Act or under the Service Occupation Tax Act shall permit such registrant to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this subsection without registering separately with the Department under such ordinance or resolution or under this subsection. The Department of Revenue shall have full power to administer and enforce this subsection; to collect all taxes and penalties due under this subsection; to dispose of taxes and penalties so

collected in the manner hereinafter provided; and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of, and compliance with this subsection, the Department and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties, exclusions, exemptions, and definitions of terms and employ the same modes of procedure as are prescribed in Sections 2, 2a through 2d, 3 through 3-50 (in respect to all provisions therein other than the State rate of tax), 4 (except that the reference to the State shall be to the business district), 5, 7, 8 (except that the jurisdiction to which the tax shall be a debt to the extent indicated in that Section 8 shall be the municipality), 9 (except as to the disposition of taxes and penalties collected, and except that the returned merchandise credit for this tax may not be taken against any State tax), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State shall mean the municipality), the first paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and all provisions of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth herein.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their

serviceman's tax liability hereunder by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that servicemen are authorized to collect under the Service Use Tax Act, in accordance with such bracket schedules as the Department may prescribe.

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

The Department shall forthwith pay over to the State Treasurer, ex-officio, as trustee, all taxes, penalties, and interest collected under this subsection for deposit into the business district retailers' occupation tax fund. On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to named municipalities from the business district retailers' occupation tax fund, the municipalities to be those from which suppliers and servicemen have paid taxes or penalties under this subsection to the Department during the second preceding calendar month. The amount to be paid to each municipality shall be the amount (not including credit

memoranda) collected under this subsection during the second preceding calendar month by the Department, less 2% of that amount, which shall be deposited into the Tax Compliance and Administration Fund and shall be used by the Department, subject to appropriation, to cover the costs of the Department in administering and enforcing the provisions of this subsection, and not including an amount equal to the amount of refunds made during the second preceding calendar month by the Department on behalf of such municipality. Within 10 days after receipt, by the Comptroller, of the disbursement certification to the municipalities, provided for in this subsection to be given to the Comptroller by the Department, the Comptroller shall cause the orders to be drawn for the respective amounts in accordance with the directions contained in such certification. The proceeds of the tax paid to municipalities under this subsection shall be deposited into the Business District Tax Allocation Fund by the municipality.

An ordinance ~~or resolution~~ imposing or discontinuing the tax under this subsection or effecting a change in the rate thereof shall either (i) be adopted and a certified copy thereof filed with the Department on or before the first day of April, whereupon the Department, if all other requirements of this subsection are met, shall proceed to administer and enforce this subsection as of the first day of July next following the adoption and filing; or (ii) be adopted and a certified copy thereof filed with the Department on or before

the first day of October, whereupon, if all other conditions of this subsection are met, the Department shall proceed to administer and enforce this subsection as of the first day of January next following the adoption and filing.

The Department of Revenue shall not administer or enforce an ordinance imposing, discontinuing, or changing the rate of the tax under this subsection, until the municipality also provides, in the manner prescribed by the Department, the boundaries of the business district in such a way that the Department can determine by its address whether a business is located in the business district. The municipality must provide this boundary and address information to the Department on or before April 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following July 1 and on or before October 1 for administration and enforcement of the tax under this subsection by the Department beginning on the following January 1. The Department of Revenue shall not administer or enforce any change made to the boundaries of a business district or address change, addition, or deletion until the municipality reports the boundary change or address change, addition, or deletion to the Department in the manner prescribed by the Department. The municipality must provide this boundary change information or address change, addition, or deletion to the Department on or before April 1 for administration and enforcement by the Department of the change beginning on the following July 1 and

on or before October 1 for administration and enforcement by the Department of the change beginning on the following January 1. The retailers in the business district shall be responsible for charging the tax imposed under this subsection. If a retailer is incorrectly included or excluded from the list of those required to collect the tax under this subsection, both the Department of Revenue and the retailer shall be held harmless if they reasonably relied on information provided by the municipality.

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

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

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

(d) By ordinance, a municipality that has designated ~~established~~ a business district under this Law ~~Division 74.3~~ may impose an occupation tax upon all persons engaged in the business district in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate not to exceed 1% of the gross rental receipts from the renting, leasing, or letting of hotel

rooms within the business district, to be imposed only in 0.25% increments, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators' Occupation Tax Act, and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

The tax imposed by the municipality under this subsection and all civil penalties that may be assessed as an incident to that tax shall be collected and enforced by the municipality imposing the tax. The municipality shall have full power to administer and enforce this subsection, to collect all taxes and penalties due under this subsection, to dispose of taxes and penalties so collected in the manner provided in this subsection, and to determine all rights to credit memoranda arising on account of the erroneous payment of tax or penalty under this subsection. In the administration of and compliance with this subsection, the municipality and persons who are subject to this subsection shall have the same rights, remedies, privileges, immunities, powers, and duties, shall be subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and shall employ the same modes of procedure as are employed with respect to a tax adopted by the municipality under Section 8-3-14 of this Code.

Persons subject to any tax imposed under the authority granted in this subsection may reimburse themselves for their

tax liability for that tax by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with State taxes imposed under the Hotel Operators' Occupation Tax Act, and with any other tax.

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

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

(e) Obligations secured by the Business District Tax Allocation Fund may be issued to provide for the payment or reimbursement of business district project costs. Those obligations, when so issued, ~~issued pursuant to subsection (14) of Section 11-74.3-3~~ shall be retired in the manner provided in the ordinance authorizing the issuance of those obligations by the receipts of taxes imposed pursuant to subsections (11) and (12) of Section 11-74.3-3 and by other revenue designated or pledged by the municipality. A municipality may in the ordinance pledge, for any period of time up to and including the dissolution date, all or any part of the funds in and levied as authorized in subsections (12) and (13) of Section 11-74.3-3. The ordinance shall pledge all of the amounts in and to be deposited in the Business District Tax Allocation Fund to the payment of business district project costs and obligations. Whenever a municipality pledges all of the funds to the credit

of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality may specifically provide that funds remaining to the credit of such business district tax allocation fund after the payment of such obligations shall be accounted for annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan. Whenever a municipality pledges less than all of the monies to the credit of a business district tax allocation fund to secure obligations issued or to be issued to pay or reimburse business district project costs, the municipality shall provide that monies to the credit of the business district tax allocation fund and not subject to such pledge or otherwise encumbered or required for payment of contractual obligations for specific business district project costs shall be calculated annually and shall be deemed to be "surplus" funds, and such "surplus" funds shall be expended by the municipality for any business district project cost as approved in the business district plan. ~~Obligations issued pursuant to subsection (14) of Section 11-74.3-3 may be sold at public or private sale at a price determined by the corporate authorities of the municipality and no referendum approval of the electors shall be required as a condition to the issuance of those obligations. The ordinance authorizing the obligations may require that the obligations~~

~~contain a recital that they are issued pursuant to subsection (14) of Section 11-74.3-3 and this recital shall be conclusive evidence of their validity and of the regularity of their issuance. The corporate authorities of the municipality may also issue its obligations to refund, in whole or in part, obligations previously issued by the municipality under the authority of this Code, whether at or prior to maturity. All obligations issued pursuant to subsection (14) of Section 11-74.3-3 shall not be regarded as indebtedness of the municipality issuing the obligations for the purpose of any limitation imposed by law.~~

No obligation issued pursuant to this Law and secured by a pledge of all or any portion of any revenues received or to be received by the municipality from the imposition of taxes pursuant to subsection (11) of Section 11-74.3-3, shall be deemed to constitute an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such pledge provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes imposed pursuant to subsection (11) of Section 11-74.3-3 and received or to be received by the municipality from the development or redevelopment of properties in the business district.

Without limiting the foregoing in this Section, the municipality may further secure obligations secured by the business district tax allocation fund with a pledge, for a period not greater than the term of the obligations and in any

case not longer than the dissolution date, of any part or any combination of the following: (i) net revenues of all or part of any business district project; (ii) taxes levied or imposed by the municipality on any or all property in the municipality, including, specifically, taxes levied or imposed by the municipality in a special service area pursuant to the Special Service Area Tax Law; (iii) the full faith and credit of the municipality; (iv) a mortgage on part or all of the business district project; or (v) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Such obligations may be issued in one or more series, bear such date or dates, become due at such time or times as therein provided, but in any case not later than (i) 20 years after the date of issue or (ii) the dissolution date, whichever is earlier, bear interest payable at such intervals and at such rate or rates as set forth therein, except as may be limited by applicable law, which rate or rates may be fixed or variable, be in such denominations, be in such form, either coupon, registered, or book-entry, carry such conversion, registration and exchange privileges, be subject to defeasance upon such terms, have such rank or priority, be executed in such manner, be payable in such medium or payment at such place or places within or without the State, make provision for a corporate trustee within or without the State with respect to such obligations, prescribe the rights, powers, and duties thereof to be exercised for the benefit of the municipality and the

benefit of the owners of such obligations, provide for the holding in trust, investment, and use of moneys, funds, and accounts held under an ordinance, provide for assignment of and direct payment of the moneys to pay such obligations or to be deposited into such funds or accounts directly to such trustee, be subject to such terms of redemption with or without premium, and be sold at such price, all as the corporate authorities shall determine. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to this Law except as provided in this Section.

In the event the municipality authorizes the issuance of obligations pursuant to the authority of this Law secured by the full faith and credit of the municipality, or pledges ad valorem taxes pursuant to this subsection, which obligations are other than obligations which may be issued under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which ad valorem taxes are other than ad valorem taxes which may be pledged under home rule powers provided by Section 6 of Article VII of the Illinois Constitution or which are levied in a special service area pursuant to the Special Service Area Tax Law, the ordinance authorizing the issuance of those obligations or pledging those taxes shall be published within 10 days after the ordinance has been adopted, in a newspaper having a general circulation within the municipality. The publication of the ordinance shall be accompanied by a notice of (i) the specific number of voters

required to sign a petition requesting the question of the issuance of the obligations or pledging such ad valorem taxes to be submitted to the electors; (ii) the time within which the petition must be filed; and (iii) the date of the prospective referendum. The municipal clerk shall provide a petition form to any individual requesting one.

If no petition is filed with the municipal clerk, as hereinafter provided in this Section, within 21 days after the publication of the ordinance, the ordinance shall be in effect. However, if within that 21-day period a petition is filed with the municipal clerk, signed by electors numbering not less than 15% of the number of electors voting for the mayor or president at the last general municipal election, asking that the question of issuing obligations using full faith and credit of the municipality as security for the cost of paying or reimbursing business district project costs, or of pledging such ad valorem taxes for the payment of those obligations, or both, be submitted to the electors of the municipality, the municipality shall not be authorized to issue obligations of the municipality using the full faith and credit of the municipality as security or pledging such ad valorem taxes for the payment of those obligations, or both, until the proposition has been submitted to and approved by a majority of the voters voting on the proposition at a regularly scheduled election. The municipality shall certify the proposition to the proper election authorities for submission in accordance with

the general election law.

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

In the event the municipality authorizes issuance of obligations pursuant to this Law secured by the full faith and credit of the municipality, the ordinance authorizing the obligations may provide for the levy and collection of a direct annual tax upon all taxable property within the municipality sufficient to pay the principal thereof and interest thereon as it matures, which levy may be in addition to and exclusive of the maximum of all other taxes authorized to be levied by the municipality, which levy, however, shall be abated to the extent that monies from other sources are available for payment of the obligations and the municipality certifies the amount of those monies available to the county clerk.

A certified copy of the ordinance shall be filed with the county clerk of each county in which any portion of the municipality is situated, and shall constitute the authority for the extension and collection of the taxes to be deposited in the business district tax allocation fund.

A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by the municipality under the authority of this Law, whether at or

prior to maturity. However, the last maturity of the refunding obligations shall not be expressed to mature later than the dissolution date.

In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay or reimburse business district project costs, the municipality may, if it has followed the procedures in conformance with this Law, retire those obligations from funds in the business district tax allocation fund in amounts and in such manner as if those obligations had been issued pursuant to the provisions of this Law.

No obligations issued pursuant to this Law shall be regarded as indebtedness of the municipality issuing those obligations or any other taxing district for the purpose of any limitation imposed by law.

Obligations issued pursuant to this Law shall not be subject to the provisions of the Bond Authorization Act.

(f) When business district project costs, including, without limitation, all ~~municipal~~ obligations paying or reimbursing ~~financing~~ business district project costs ~~incurred under Section 11-74.3-3~~ have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall be distributed to the municipal treasurer for deposit into the ~~municipal~~ general corporate fund of the municipality. Upon payment of all business district project costs and retirement of all obligations paying or reimbursing business district

project costs, but in no event more than 23 years after the date of adoption of the ordinance imposing taxes pursuant to subsections (11) or (12) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to said subsections. ~~approving the business district development or redevelopment plan, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsections (12) and (13) of Section 11-74.3-3.~~

(Source: P.A. 93-1053, eff. 1-1-05; 93-1089, eff. 3-7-05.)

(65 ILCS 5/11-74.3-7 new)

Sec. 11-74.3-7. Existing business districts. Except as hereinafter provided, business districts that were designated prior to the effective date of this amendatory Act of the 96th General Assembly shall continue to operate and be governed by the terms of this Law in effect prior to the effective date of this amendatory Act of the 96th General Assembly. Any municipality which has designated a business district prior to the effective date of this amendatory Act of the 96th General Assembly may, by ordinance, amend or supplement any proceedings taken in connection with the designation of a business district as shall be necessary to provide that this amendatory Act of the 96th General Assembly shall apply to such business district.

Section 99. Effective date. This Act takes effect upon

Public Act 096-1394

SB2523 Enrolled

LRB096 16822 RLJ 32131 b

becoming law.