

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 Section 11-74.3-6 as follows:

(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 plan, have designated a business district, and have elected to impose a tax by ordinance pursuant to subsection (10) or (11) of Section 11-74.3-3, then each year after the date of the approval of the ordinance but terminating upon the date all business district project costs and all obligations paying or reimbursing business district project costs, if any, have been paid, but in no event later than the dissolution date, 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 (10) and (11) of Section 11-74.3-3 into a special fund 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. Notwithstanding any other provision of this Act, a municipality may, by a two-thirds vote of its corporate authorities, transfer money among the Business District Tax Allocation Funds of business districts if the business districts are under the control of the municipality and the transferred money is used for the purposes of paying business district project costs as defined in this Act. All such transfers shall be documented and reported annually to the municipal corporate authorities, and that documentation shall be made available to the public.

(b) The corporate authorities of a municipality that has designated a business district under this Law may, by ordinance, 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 tangible personal property taxed at the rate of 1% under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019 and through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax Act. For purposes of this Section, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

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, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 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 or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, 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. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49

U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month, beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue 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 and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) 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 (except the amount collected on aviation fuel sold on or after December 1, 2019), 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, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. 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 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 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.

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 tangible personal property taxed at the 1% rate under the Service Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). Beginning December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. If the District does not have an airport-related purpose to which it dedicates aviation fuel tax revenue, then aviation fuel is excluded from the tax. Each municipality must comply with the certification requirements for airport-related purposes under Section 2-22 of the Retailers' Occupation Tax

Act. For purposes of this Act, "airport-related purposes" has the meaning ascribed in Section 6z-20.2 of the State Finance Act. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

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, and except that the retailer's discount is not allowed for taxes paid on aviation fuel that are subject to the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 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 or the Local Government Aviation Trust Fund, as appropriate.

Except as otherwise provided in this paragraph, 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. Taxes and penalties collected on aviation fuel sold on or after December 1, 2019, shall be immediately paid over by the Department to the State Treasurer, ex officio, as trustee, for deposit into the Local Government Aviation Trust Fund. The Department shall only pay moneys into the Local Government Aviation Trust Fund under this Section for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the District.

As soon as possible after the first day of each month,

beginning January 1, 2011, upon certification of the Department of Revenue, the Comptroller shall order transferred, and the Treasurer shall transfer, to the STAR Bonds Revenue Fund the local sales tax increment, as defined in the Innovation Development and Economy Act, collected under this subsection during the second preceding calendar month for sales within a STAR bond district.

After the monthly transfer to the STAR Bonds Revenue 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 and not including taxes and penalties collected on aviation fuel sold on or after December 1, 2019) collected under this subsection during the second preceding calendar month by the Department, less 2% of that amount (except the amount collected on aviation fuel sold on or after December 1, 2019), 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, and not including any amounts that are transferred to the STAR Bonds Revenue Fund. 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 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.

(c-5) If, on January 1, 2025, a unit of local government has in effect a tax under this Section, or if, after January 1, 2025, a unit of local government imposes a tax under this Section, then that tax applies to leases of tangible personal property in effect, entered into, or renewed on or after that date in the same manner as the tax under this Section and in accordance with the changes made by this amendatory Act of the 103rd General Assembly.

(d) By ordinance, a municipality that has designated a business district under this Law 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, 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 (10) and (11) 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 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.

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 (10) 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 (10) 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 obligations paying or reimbursing business district project costs 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 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 subsection (10) or (11) of Section 11-74.3-3, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsection (10) or (11) of Section 11-74.3-3.

(Source: P.A. 102-700, eff. 4-19-22; 103-592, eff. 1-1-25.)