

## **Can the owners and residents in a proposed SSA stop the establishment of the SSA?**

State law specifically permits the owners and residents of a proposed SSA to block the creation of an SSA through an objection petition.

*“If a petition signed by at least 51% of the electors residing within the special service area and by at least 51% of the owners of record of the land included within the boundaries of the special service area is filed with the municipal clerk or county clerk, as the case may be, within 60 days following the final adjournment of the public hearing, objecting to the creation of the special service district, the enlargement of the area, the levy or imposition of a tax or the issuance of bonds for the provision of special services to the area, or to a proposed increase in the tax rate, the district shall not be created or enlarged, or the tax shall not be levied or imposed nor the rate increased, or no bonds may be issued.” [35 ILCS 200/27-55]*

An “elector” is considered a resident of the proposed SSA area who is registered to vote at the time of the public hearing.

## **Are owners and residents allowed to disconnect from an SSA?**

Any territory located within the boundaries of an SSA may become disconnected from the SSA if a majority of the resident electors and a majority of the record owners of land sign a petition and file it in Circuit Court. The petition must state that the territory (proposed to be disconnected) was not, is not, and is not intended by the municipality or county to be either benefited or served by any work or services authorized by the SSA. In order for the disconnection to take place, the Circuit Court—after a public hearing takes place in the Court—must order the disconnection if the Court finds the allegations in the petition to be true.

## **Is the special assessment tax deductible?**

If the revenues to the SSA are being used for repairs or maintenance of existing infrastructure, the assessment amounts are deductible on federal tax returns.

## **How do I know if a property is located in an SSA?**

When searching for a new location, it is smart to check to see if the property you are interested in purchasing or leasing is in an SSA. Here are ways to check:

- Ask the current owner or seller for a copy of the latest property tax bill. The tax bill will have a separate line and dollar amount for the Special tax assessment.
- You can contact the county clerk’s office and give the clerk the property PIN, or call the municipality and ask if the parcel is located in an SSA. THIS IS PUBLIC INFORMATION!

### **Good follow-up questions:**

- What is the life of the bond?
- How much is the current assessment?
- What is the percentage of the maximum increase each year?



## **What You Should Know About**

## **SPECIAL SERVICE AREAS (SSA)**

**As a**

- **Property Owner**
- **Small Business Owner**
- **Commercial Developer**





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# What is a Special Service Area (SSA)?

A Special Service Area is a special taxing district created by a local ordinance of a municipality or county. Local governments can create an SSA pursuant to state law—“The Special Service Area Tax Law.” SSAs are often created to pay for repairs and maintenance of existing infrastructure. However, state law is quite broad and does permit an SSA to be set up for “all forms of services pertaining to the government and affairs of the municipality or county.”

An SSA can be a contiguous area in which special governmental services (e.g. road or sewer improvements) are provided to those within the defined area. The cost of the services is paid from revenues collected from taxes imposed on the property owners within that area. Typically, a special assessment property tax is imposed on the owners, and the revenues are used to pay off bonds that are issued to pay the infrastructure costs.

A Special Service Area assessment is a tax lien on the property. The assessment will appear on the property tax bill as a line item that says, “Special Service Area Number X: \$X,XXX.00.”

## How is an SSA established?

There are two ways that an SSA can be established: either the municipality/county may create one through passage of an ordinance after following certain procedures (see below), OR the creation of an SSA can be owner-initiated.

When a municipality/county proposes to create an SSA, there are notice and hearing requirements that must be met. A notice must be sent to property owners not less than 10 days prior to the date of the public hearing on the proposal. The notice must include the following items:

- The time and place of the hearing;
- The proposed boundaries of the area;
- The permanent tax index number of each parcel of property within the area;
- The nature of the services that are to be provided and a statement as to whether the services are for new construction, maintenance or other purposes;
- A notification that all interested persons including property owners within the area can speak at the hearing;
- The maximum rate of taxes to be extended within the area in any year.

The public hearing must be held at least 60 days prior to the adoption of the ordinance which creates the SSA. Written or oral objections to the proposed SSA must be allowed to be made or submitted at the hearing.

## Other Things to Know About the SSA Law

### Special Service Areas for Privately Owned or Maintained Roads

An SSA can be created for the repair and maintenance of privately owned or maintained roads. If at least 30% of the road/street mileage is comprised of roads or streets that are not owned by the municipality or other form of government and if the streets provide access for police, fire and emergency vehicles, then the municipality may propose an SSA for the maintenance of those streets. In order for that proposal to be considered, 51% or more of the owners must file a petition with the clerk of the municipality agreeing with the establishment of an SSA.

### Special Service Areas for Health and Safety Protection in Buildings

An SSA can be created for the purpose of making improvements to any one or more buildings if the improvements are required as a result of a municipal ordinance that aims to protect the safety or health of tenants, workers, visitors in those buildings. In order for the SSA to be created, 100% of the owners in the proposed area agree to its creation.

This part of the state statute is intended to provide a more feasible financing of the costs of such required improvements as sprinkler system installation in existing buildings. The municipality may issue bonds in order to enable the payment of the cost of the improvements; the owners of the buildings will pay off the bonds through an SSA assessment.