

Special Service Area Implementation Steps & Requirements

What is a Special Service Area?

A special service area (SSA) is a taxing mechanism that can be used to fund a wide range of special or additional services and/or physical improvements in a defined geographic area within a municipality or jurisdiction. This type of district allows local governments to establish such areas without incurring debt or levying a tax on the entire municipality. In short, an SSA allows local governments to tax for and deliver services to limited geographic areas within their jurisdictions.

What is the legal authority for an SSA?

The 1970 Illinois Constitutional Convention granted municipalities and counties the authority:

"to levy or impose additional taxes upon areas within their boundaries in the manner provided by law for the provision of special services to those area and for the payment of debt incurred in order to provide those special services."

The process for establishing an SSA is outlined in the "Special Service Area Tax Law" (Article 27, 35 ILCS 200/27). This process and subsequent case law form the basis for SSA implementation in Illinois.

SSAs appear to be excluded from tax cap legislation, and are still available for home rule and non-home rule municipalities in "capped" counties.

What can an SSA do?

SSAs are unique financing tools used to support and implement a wide array of services, physical improvements, and other activities. Among the list of common services and activities provided by SSAs:

What programs are available in a special service area?

Land and Building Improvements

Redevelopment
Interior Rehab/Build-out Assistance
Store Front Improvements
Grants or Loans

Support Services

Downtown Marketing
Downtown Promotion/Advertising
Special Events
Seasonal Decorations
Tenant Search/Leasing Support
Transportation (e.g. Downtown Trolleys)
Improved Snow Removal Services
Improved Trash Removal Services
Program Administration
Improved Parking Enforcement
Services Planning/Marketing
Consulting
Public Relations Activities
Downtown Maintenance Staff/Activities
Membership Services
Store Window Display Assistance
Security Improvements/Services

Infrastructure Improvements

Parking Lots or Garages
Storm Sewers
Street Improvements
Curbs
Alley Repaving
Trash Receptacles
Benches
Lighting
Streetscaping/Landscaping
Sidewalk Paving

How Have Other Communities Used SSAs?

The Illinois Department of Revenue has documented more than 600 SSAs in Illinois, with many communities having ten or more active SSAs. These SSAs included real estate valued at almost \$ 10.4 billion (EAV), covering all types of new and existing residential, commercial, and industrial land uses. The number of SSAs has continued to increase each year.

SSAs are largely used to support retail districts, especially central business districts. A survey of communities with SSAs covering central business districts indicated high community satisfaction with the SSA's ability to provide essential services and improvements. Additionally, in some communities, SSAs are used for improvements such as infrastructure in newly developing areas.

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