



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3431

by Rep. Keith R. Wheeler

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4

from Ch. 24, par. 11-74.4-4

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that a municipality may, by resolution, make payments in lieu of taxes only to a fire protection district, and not to all taxing districts, within a redevelopment area if the municipality finds: (1) the fire protection district will receive, or has received, a unique impact and burden on its services, distinct from the other taxing districts in the project redevelopment area; and (2) the unique impact and burden is due to new development in the project redevelopment area. Effective immediately.

LRB100 10218 AWJ 20400 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-4 as follows:

6 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

7 Sec. 11-74.4-4. Municipal powers and duties; redevelopment
8 project areas. The changes made by this amendatory Act of the
9 91st General Assembly do not apply to a municipality that, (i)
10 before the effective date of this amendatory Act of the 91st
11 General Assembly, has adopted an ordinance or resolution fixing
12 a time and place for a public hearing under Section 11-74.4-5
13 or (ii) before July 1, 1999, has adopted an ordinance or
14 resolution providing for a feasibility study under Section
15 11-74.4-4.1, but has not yet adopted an ordinance approving
16 redevelopment plans and redevelopment projects or designating
17 redevelopment project areas under this Section, until after
18 that municipality adopts an ordinance approving redevelopment
19 plans and redevelopment projects or designating redevelopment
20 project areas under this Section; thereafter the changes made
21 by this amendatory Act of the 91st General Assembly apply to
22 the same extent that they apply to redevelopment plans and
23 redevelopment projects that were approved and redevelopment

1 projects that were designated before the effective date of this
2 amendatory Act of the 91st General Assembly.

3 A municipality may:

4 (a) By ordinance introduced in the governing body of
5 the municipality within 14 to 90 days from the completion
6 of the hearing specified in Section 11-74.4-5 approve
7 redevelopment plans and redevelopment projects, and
8 designate redevelopment project areas pursuant to notice
9 and hearing required by this Act. No redevelopment project
10 area shall be designated unless a plan and project are
11 approved prior to the designation of such area and such
12 area shall include only those contiguous parcels of real
13 property and improvements thereon substantially benefited
14 by the proposed redevelopment project improvements. Upon
15 adoption of the ordinances, the municipality shall
16 forthwith transmit to the county clerk of the county or
17 counties within which the redevelopment project area is
18 located a certified copy of the ordinances, a legal
19 description of the redevelopment project area, a map of the
20 redevelopment project area, identification of the year
21 that the county clerk shall use for determining the total
22 initial equalized assessed value of the redevelopment
23 project area consistent with subsection (a) of Section
24 11-74.4-9, and a list of the parcel or tax identification
25 number of each parcel of property included in the
26 redevelopment project area.

1 (b) Make and enter into all contracts with property
2 owners, developers, tenants, overlapping taxing bodies,
3 and others necessary or incidental to the implementation
4 and furtherance of its redevelopment plan and project.
5 Contract provisions concerning loan repayment obligations
6 in contracts entered into on or after the effective date of
7 this amendatory Act of the 93rd General Assembly shall
8 terminate no later than the last to occur of the estimated
9 dates of completion of the redevelopment project and
10 retirement of the obligations issued to finance
11 redevelopment project costs as required by item (3) of
12 subsection (n) of Section 11-74.4-3. Payments received
13 under contracts entered into by the municipality prior to
14 the effective date of this amendatory Act of the 93rd
15 General Assembly that are received after the redevelopment
16 project area has been terminated by municipal ordinance
17 shall be deposited into a special fund of the municipality
18 to be used for other community redevelopment needs within
19 the redevelopment project area.

20 (c) Within a redevelopment project area, acquire by
21 purchase, donation, lease or eminent domain; own, convey,
22 lease, mortgage or dispose of land and other property, real
23 or personal, or rights or interests therein, and grant or
24 acquire licenses, easements and options with respect
25 thereto, all in the manner and at such price the
26 municipality determines is reasonably necessary to achieve

1 the objectives of the redevelopment plan and project. No
2 conveyance, lease, mortgage, disposition of land or other
3 property owned by a municipality, or agreement relating to
4 the development of such municipal property shall be made
5 except upon the adoption of an ordinance by the corporate
6 authorities of the municipality. Furthermore, no
7 conveyance, lease, mortgage, or other disposition of land
8 owned by a municipality or agreement relating to the
9 development of such municipal property shall be made
10 without making public disclosure of the terms of the
11 disposition and all bids and proposals made in response to
12 the municipality's request. The procedures for obtaining
13 such bids and proposals shall provide reasonable
14 opportunity for any person to submit alternative proposals
15 or bids.

16 (d) Within a redevelopment project area, clear any area
17 by demolition or removal of any existing buildings and
18 structures.

19 (e) Within a redevelopment project area, renovate or
20 rehabilitate or construct any structure or building, as
21 permitted under this Act.

22 (f) Install, repair, construct, reconstruct or
23 relocate streets, utilities and site improvements
24 essential to the preparation of the redevelopment area for
25 use in accordance with a redevelopment plan.

26 (g) Within a redevelopment project area, fix, charge

1 and collect fees, rents and charges for the use of any
2 building or property owned or leased by it or any part
3 thereof, or facility therein.

4 (h) Accept grants, guarantees and donations of
5 property, labor, or other things of value from a public or
6 private source for use within a project redevelopment area.

7 (i) Acquire and construct public facilities within a
8 redevelopment project area, as permitted under this Act.

9 (j) Incur project redevelopment costs and reimburse
10 developers who incur redevelopment project costs
11 authorized by a redevelopment agreement; provided,
12 however, that on and after the effective date of this
13 amendatory Act of the 91st General Assembly, no
14 municipality shall incur redevelopment project costs
15 (except for planning costs and any other eligible costs
16 authorized by municipal ordinance or resolution that are
17 subsequently included in the redevelopment plan for the
18 area and are incurred by the municipality after the
19 ordinance or resolution is adopted) that are not consistent
20 with the program for accomplishing the objectives of the
21 redevelopment plan as included in that plan and approved by
22 the municipality until the municipality has amended the
23 redevelopment plan as provided elsewhere in this Act.

24 (k) Create a commission of not less than 5 or more than
25 15 persons to be appointed by the mayor or president of the
26 municipality with the consent of the majority of the

1 governing board of the municipality. Members of a
2 commission appointed after the effective date of this
3 amendatory Act of 1987 shall be appointed for initial terms
4 of 1, 2, 3, 4 and 5 years, respectively, in such numbers as
5 to provide that the terms of not more than 1/3 of all such
6 members shall expire in any one year. Their successors
7 shall be appointed for a term of 5 years. The commission,
8 subject to approval of the corporate authorities may
9 exercise the powers enumerated in this Section. The
10 commission shall also have the power to hold the public
11 hearings required by this division and make
12 recommendations to the corporate authorities concerning
13 the adoption of redevelopment plans, redevelopment
14 projects and designation of redevelopment project areas.

15 (1) Make payment in lieu of taxes or a portion thereof
16 to taxing districts. Except as otherwise provided in this
17 subsection (1), if ~~if~~ payments in lieu of taxes or a
18 portion thereof are made to taxing districts, those
19 payments shall be made to all districts within a project
20 redevelopment area on a basis which is proportional to the
21 current collections of revenue which each taxing district
22 receives from real property in the redevelopment project
23 area. A municipality may also make payments in lieu of
24 taxes or a portion thereof to a fire protection district,
25 not to exceed the amount the fire protection district would
26 have received had the ordinance approving the project

1 redevelopment area not been adopted, without making
2 payments to other taxing districts, if the municipality
3 finds by resolution that: (1) the fire protection district
4 will receive, or has received, a unique impact and burden
5 on its services, distinct from the other taxing districts
6 in the project redevelopment area; and (2) the unique
7 impact and burden is due to new development in the project
8 redevelopment area.

9 (m) Exercise any and all other powers necessary to
10 effectuate the purposes of this Act.

11 (n) If any member of the corporate authority, a member
12 of a commission established pursuant to Section
13 11-74.4-4(k) of this Act, or an employee or consultant of
14 the municipality involved in the planning and preparation
15 of a redevelopment plan, or project for a redevelopment
16 project area or proposed redevelopment project area, as
17 defined in Sections 11-74.4-3(i) through (k) of this Act,
18 owns or controls an interest, direct or indirect, in any
19 property included in any redevelopment area, or proposed
20 redevelopment area, he or she shall disclose the same in
21 writing to the clerk of the municipality, and shall also so
22 disclose the dates and terms and conditions of any
23 disposition of any such interest, which disclosures shall
24 be acknowledged by the corporate authorities and entered
25 upon the minute books of the corporate authorities. If an
26 individual holds such an interest then that individual

1 shall refrain from any further official involvement in
2 regard to such redevelopment plan, project or area, from
3 voting on any matter pertaining to such redevelopment plan,
4 project or area, or communicating with other members
5 concerning corporate authorities, commission or employees
6 concerning any matter pertaining to said redevelopment
7 plan, project or area. Furthermore, no such member or
8 employee shall acquire of any interest direct, or indirect,
9 in any property in a redevelopment area or proposed
10 redevelopment area after either (a) such individual
11 obtains knowledge of such plan, project or area or (b)
12 first public notice of such plan, project or area pursuant
13 to Section 11-74.4-6 of this Division, whichever occurs
14 first. For the purposes of this subsection, a property
15 interest acquired in a single parcel of property by a
16 member of the corporate authority, which property is used
17 exclusively as the member's primary residence, shall not be
18 deemed to constitute an interest in any property included
19 in a redevelopment area or proposed redevelopment area that
20 was established before December 31, 1989, but the member
21 must disclose the acquisition to the municipal clerk under
22 the provisions of this subsection. A single property
23 interest acquired within one year after the effective date
24 of this amendatory Act of the 94th General Assembly or 2
25 years after the effective date of this amendatory Act of
26 the 95th General Assembly by a member of the corporate

1 authority does not constitute an interest in any property
2 included in any redevelopment area or proposed
3 redevelopment area, regardless of when the redevelopment
4 area was established, if (i) the property is used
5 exclusively as the member's primary residence, (ii) the
6 member discloses the acquisition to the municipal clerk
7 under the provisions of this subsection, (iii) the
8 acquisition is for fair market value, (iv) the member
9 acquires the property as a result of the property being
10 publicly advertised for sale, and (v) the member refrains
11 from voting on, and communicating with other members
12 concerning, any matter when the benefits to the
13 redevelopment project or area would be significantly
14 greater than the benefits to the municipality as a whole.
15 For the purposes of this subsection, a month-to-month
16 leasehold interest in a single parcel of property by a
17 member of the corporate authority shall not be deemed to
18 constitute an interest in any property included in any
19 redevelopment area or proposed redevelopment area, but the
20 member must disclose the interest to the municipal clerk
21 under the provisions of this subsection.

22 (o) Create a Tax Increment Economic Development
23 Advisory Committee to be appointed by the Mayor or
24 President of the municipality with the consent of the
25 majority of the governing board of the municipality, the
26 members of which Committee shall be appointed for initial

1 terms of 1, 2, 3, 4 and 5 years respectively, in such
2 numbers as to provide that the terms of not more than 1/3
3 of all such members shall expire in any one year. Their
4 successors shall be appointed for a term of 5 years. The
5 Committee shall have none of the powers enumerated in this
6 Section. The Committee shall serve in an advisory capacity
7 only. The Committee may advise the governing Board of the
8 municipality and other municipal officials regarding
9 development issues and opportunities within the
10 redevelopment project area or the area within the State
11 Sales Tax Boundary. The Committee may also promote and
12 publicize development opportunities in the redevelopment
13 project area or the area within the State Sales Tax
14 Boundary.

15 (p) Municipalities may jointly undertake and perform
16 redevelopment plans and projects and utilize the
17 provisions of the Act wherever they have contiguous
18 redevelopment project areas or they determine to adopt tax
19 increment financing with respect to a redevelopment
20 project area which includes contiguous real property
21 within the boundaries of the municipalities, and in doing
22 so, they may, by agreement between municipalities, issue
23 obligations, separately or jointly, and expend revenues
24 received under the Act for eligible expenses anywhere
25 within contiguous redevelopment project areas or as
26 otherwise permitted in the Act. With respect to

1 redevelopment project areas that are established within a
2 transit facility improvement area, the provisions of this
3 subsection apply only with respect to such redevelopment
4 project areas that are contiguous to each other.

5 (q) Utilize revenues, other than State sales tax
6 increment revenues, received under this Act from one
7 redevelopment project area for eligible costs in another
8 redevelopment project area that is:

9 (i) contiguous to the redevelopment project area
10 from which the revenues are received;

11 (ii) separated only by a public right of way from
12 the redevelopment project area from which the revenues
13 are received; or

14 (iii) separated only by forest preserve property
15 from the redevelopment project area from which the
16 revenues are received if the closest boundaries of the
17 redevelopment project areas that are separated by the
18 forest preserve property are less than one mile apart.

19 Utilize tax increment revenues for eligible costs that
20 are received from a redevelopment project area created
21 under the Industrial Jobs Recovery Law that is either
22 contiguous to, or is separated only by a public right of
23 way from, the redevelopment project area created under this
24 Act which initially receives these revenues. Utilize
25 revenues, other than State sales tax increment revenues, by
26 transferring or loaning such revenues to a redevelopment

1 project area created under the Industrial Jobs Recovery Law
2 that is either contiguous to, or separated only by a public
3 right of way from the redevelopment project area that
4 initially produced and received those revenues; and, if the
5 redevelopment project area (i) was established before the
6 effective date of this amendatory Act of the 91st General
7 Assembly and (ii) is located within a municipality with a
8 population of more than 100,000, utilize revenues or
9 proceeds of obligations authorized by Section 11-74.4-7 of
10 this Act, other than use or occupation tax revenues, to pay
11 for any redevelopment project costs as defined by
12 subsection (q) of Section 11-74.4-3 to the extent that the
13 redevelopment project costs involve public property that
14 is either contiguous to, or separated only by a public
15 right of way from, a redevelopment project area whether or
16 not redevelopment project costs or the source of payment
17 for the costs are specifically set forth in the
18 redevelopment plan for the redevelopment project area.

19 (r) If no redevelopment project has been initiated in a
20 redevelopment project area within 7 years after the area
21 was designated by ordinance under subsection (a), the
22 municipality shall adopt an ordinance repealing the area's
23 designation as a redevelopment project area; provided,
24 however, that if an area received its designation more than
25 3 years before the effective date of this amendatory Act of
26 1994 and no redevelopment project has been initiated within

1 4 years after the effective date of this amendatory Act of
2 1994, the municipality shall adopt an ordinance repealing
3 its designation as a redevelopment project area.
4 Initiation of a redevelopment project shall be evidenced by
5 either a signed redevelopment agreement or expenditures on
6 eligible redevelopment project costs associated with a
7 redevelopment project.

8 Notwithstanding any other provision of this Section to
9 the contrary, with respect to a redevelopment project area
10 designated by an ordinance that was adopted on July 29,
11 1998 by the City of Chicago, the City of Chicago shall
12 adopt an ordinance repealing the area's designation as a
13 redevelopment project area if no redevelopment project has
14 been initiated in the redevelopment project area within 15
15 years after the designation of the area. The City of
16 Chicago may retroactively repeal any ordinance adopted by
17 the City of Chicago, pursuant to this subsection (r), that
18 repealed the designation of a redevelopment project area
19 designated by an ordinance that was adopted by the City of
20 Chicago on July 29, 1998. The City of Chicago has 90 days
21 after the effective date of this amendatory Act to repeal
22 the ordinance. The changes to this Section made by this
23 amendatory Act of the 96th General Assembly apply
24 retroactively to July 27, 2005.

25 (Source: P.A. 99-792, eff. 8-12-16.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.