



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5724

by Rep. Sonya M. Harper

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4 from Ch. 24, par. 11-74.4-4
65 ILCS 5/11-74.4-4.3 new
65 ILCS 5/11-74.4-8e new

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that on or after the effective date of the amendatory Act, tax increment revenues may be utilized for jointly undertaken and performed redevelopment projects only in an amount equal to the percentage of eligible costs undertaken within the redevelopment project area that received the revenue. Provides that tax increment revenues received in one redevelopment project area may not be used for eligible costs in another redevelopment project area and tax increment revenues may not be transferred to another redevelopment project area. Provides that if there are any contracts or agreements in force on the effective date of the amendatory Act, tax increment revenues may continue to be used or transferred to another redevelopment project area or utilized for jointly undertaken and performed redevelopment projects only to the extent necessary to comply with the contract or agreement. Provides that a municipality must post on its website, at least quarterly, how all revenue received under this Act was expended, including to whom each expense was paid.

LRB100 20239 AWJ 35524 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 and by adding Sections 11-74.4-4.3
6 and 11-74.4-8e as follows:

7 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

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

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

4 A municipality may:

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

1 redevelopment project area.

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

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

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

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

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

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

1 (g) Within a redevelopment project area, fix, charge
2 and collect fees, rents and charges for the use of any
3 building or property owned or leased by it or any part
4 thereof, or facility therein.

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

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

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

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

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

16 (l) Make payment in lieu of taxes or a portion thereof
17 to taxing districts. 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.

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

26 (n) If any member of the corporate authority, a member

1 of a commission established pursuant to Section
2 11-74.4-4(k) of this Act, or an employee or consultant of
3 the municipality involved in the planning and preparation
4 of a redevelopment plan, or project for a redevelopment
5 project area or proposed redevelopment project area, as
6 defined in Sections 11-74.4-3(i) through (k) of this Act,
7 owns or controls an interest, direct or indirect, in any
8 property included in any redevelopment area, or proposed
9 redevelopment area, he or she shall disclose the same in
10 writing to the clerk of the municipality, and shall also so
11 disclose the dates and terms and conditions of any
12 disposition of any such interest, which disclosures shall
13 be acknowledged by the corporate authorities and entered
14 upon the minute books of the corporate authorities. If an
15 individual holds such an interest then that individual
16 shall refrain from any further official involvement in
17 regard to such redevelopment plan, project or area, from
18 voting on any matter pertaining to such redevelopment plan,
19 project or area, or communicating with other members
20 concerning corporate authorities, commission or employees
21 concerning any matter pertaining to said redevelopment
22 plan, project or area. Furthermore, no such member or
23 employee shall acquire of any interest direct, or indirect,
24 in any property in a redevelopment area or proposed
25 redevelopment area after either (a) such individual
26 obtains knowledge of such plan, project or area or (b)

1 first public notice of such plan, project or area pursuant
2 to Section 11-74.4-6 of this Division, whichever occurs
3 first. For the purposes of this subsection, a property
4 interest acquired in a single parcel of property by a
5 member of the corporate authority, which property is used
6 exclusively as the member's primary residence, shall not be
7 deemed to constitute an interest in any property included
8 in a redevelopment area or proposed redevelopment area that
9 was established before December 31, 1989, but the member
10 must disclose the acquisition to the municipal clerk under
11 the provisions of this subsection. A single property
12 interest acquired within one year after the effective date
13 of this amendatory Act of the 94th General Assembly or 2
14 years after the effective date of this amendatory Act of
15 the 95th General Assembly by a member of the corporate
16 authority does not constitute an interest in any property
17 included in any redevelopment area or proposed
18 redevelopment area, regardless of when the redevelopment
19 area was established, if (i) the property is used
20 exclusively as the member's primary residence, (ii) the
21 member discloses the acquisition to the municipal clerk
22 under the provisions of this subsection, (iii) the
23 acquisition is for fair market value, (iv) the member
24 acquires the property as a result of the property being
25 publicly advertised for sale, and (v) the member refrains
26 from voting on, and communicating with other members

1 concerning, any matter when the benefits to the
2 redevelopment project or area would be significantly
3 greater than the benefits to the municipality as a whole.
4 For the purposes of this subsection, a month-to-month
5 leasehold interest in a single parcel of property by a
6 member of the corporate authority shall not be deemed to
7 constitute an interest in any property included in any
8 redevelopment area or proposed redevelopment area, but the
9 member must disclose the interest to the municipal clerk
10 under the provisions of this subsection.

11 (o) Create a Tax Increment Economic Development
12 Advisory Committee to be appointed by the Mayor or
13 President of the municipality with the consent of the
14 majority of the governing board of the municipality, the
15 members of which Committee shall be appointed for initial
16 terms of 1, 2, 3, 4 and 5 years respectively, in such
17 numbers as to provide that the terms of not more than 1/3
18 of all such members shall expire in any one year. Their
19 successors shall be appointed for a term of 5 years. The
20 Committee shall have none of the powers enumerated in this
21 Section. The Committee shall serve in an advisory capacity
22 only. The Committee may advise the governing Board of the
23 municipality and other municipal officials regarding
24 development issues and opportunities within the
25 redevelopment project area or the area within the State
26 Sales Tax Boundary. The Committee may also promote and

1 publicize development opportunities in the redevelopment
2 project area or the area within the State Sales Tax
3 Boundary.

4 (p) Municipalities may jointly undertake and perform
5 redevelopment plans and projects and utilize the
6 provisions of the Act wherever they have contiguous
7 redevelopment project areas or they determine to adopt tax
8 increment financing with respect to a redevelopment
9 project area which includes contiguous real property
10 within the boundaries of the municipalities, and in doing
11 so, they may, by agreement between municipalities, issue
12 obligations, separately or jointly, and expend revenues
13 received under the Act for eligible expenses anywhere
14 within contiguous redevelopment project areas or as
15 otherwise permitted in the Act. With respect to
16 redevelopment project areas that are established within a
17 transit facility improvement area, the provisions of this
18 subsection apply only with respect to such redevelopment
19 project areas that are contiguous to each other.

20 On or after the effective date of this amendatory Act
21 of the 100th General Assembly, revenues received under this
22 Act may be utilized under this subsection (p) for jointly
23 undertaken and performed redevelopment plans and projects
24 only in an amount equal to the percentage of eligible costs
25 undertaken within the redevelopment project area that
26 received the revenue. However, if there are any contracts

1 or agreements in force on the effective date of this
2 amendatory Act of the 100th General Assembly consistent
3 with the provisions of this subsection (p), revenues
4 received under this Act may continue to be used in
5 accordance with the contract or agreement after the
6 effective date of this amendatory Act of the 100th General
7 Assembly only to the extent necessary to comply with the
8 contract or agreement. The contract or agreement may not be
9 modified, renewed, or extended after the effective date of
10 this amendatory Act of the 100th General Assembly unless
11 the contract or agreement complies with the provisions of
12 this subsection (p) of the time the contract is executed.

13 (q) Before the effective date of this amendatory Act of
14 the 100th General Assembly, utilize ~~Utilize~~ revenues,
15 other than State sales tax increment revenues, received
16 under this Act from one redevelopment project area for
17 eligible costs in another redevelopment project area that
18 is:

19 (i) contiguous to the redevelopment project area
20 from which the revenues are received;

21 (ii) separated only by a public right of way from
22 the redevelopment project area from which the revenues
23 are received; or

24 (iii) separated only by forest preserve property
25 from the redevelopment project area from which the
26 revenues are received if the closest boundaries of the

1 redevelopment project areas that are separated by the
2 forest preserve property are less than one mile apart.

3 Utilize tax increment revenues for eligible costs that
4 are received from a redevelopment project area created
5 under the Industrial Jobs Recovery Law that is either
6 contiguous to, or is separated only by a public right of
7 way from, the redevelopment project area created under this
8 Act which initially receives these revenues. Utilize
9 revenues, other than State sales tax increment revenues, by
10 transferring or loaning such revenues to a redevelopment
11 project area created under the Industrial Jobs Recovery Law
12 that is either contiguous to, or separated only by a public
13 right of way from the redevelopment project area that
14 initially produced and received those revenues; and, if the
15 redevelopment project area (i) was established before the
16 effective date of this amendatory Act of the 91st General
17 Assembly and (ii) is located within a municipality with a
18 population of more than 100,000, utilize revenues or
19 proceeds of obligations authorized by Section 11-74.4-7 of
20 this Act, other than use or occupation tax revenues, to pay
21 for any redevelopment project costs as defined by
22 subsection (q) of Section 11-74.4-3 to the extent that the
23 redevelopment project costs involve public property that
24 is either contiguous to, or separated only by a public
25 right of way from, a redevelopment project area whether or
26 not redevelopment project costs or the source of payment

1 for the costs are specifically set forth in the
2 redevelopment plan for the redevelopment project area.

3 (r) If no redevelopment project has been initiated in a
4 redevelopment project area within 7 years after the area
5 was designated by ordinance under subsection (a), the
6 municipality shall adopt an ordinance repealing the area's
7 designation as a redevelopment project area; provided,
8 however, that if an area received its designation more than
9 3 years before the effective date of this amendatory Act of
10 1994 and no redevelopment project has been initiated within
11 4 years after the effective date of this amendatory Act of
12 1994, the municipality shall adopt an ordinance repealing
13 its designation as a redevelopment project area.
14 Initiation of a redevelopment project shall be evidenced by
15 either a signed redevelopment agreement or expenditures on
16 eligible redevelopment project costs associated with a
17 redevelopment project.

18 Notwithstanding any other provision of this Section to
19 the contrary, with respect to a redevelopment project area
20 designated by an ordinance that was adopted on July 29,
21 1998 by the City of Chicago, the City of Chicago shall
22 adopt an ordinance repealing the area's designation as a
23 redevelopment project area if no redevelopment project has
24 been initiated in the redevelopment project area within 15
25 years after the designation of the area. The City of
26 Chicago may retroactively repeal any ordinance adopted by

1 the City of Chicago, pursuant to this subsection (r), that
2 repealed the designation of a redevelopment project area
3 designated by an ordinance that was adopted by the City of
4 Chicago on July 29, 1998. The City of Chicago has 90 days
5 after the effective date of this amendatory Act to repeal
6 the ordinance. The changes to this Section made by this
7 amendatory Act of the 96th General Assembly apply
8 retroactively to July 27, 2005.

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

10 (65 ILCS 5/11-74.4-4.3 new)

11 Sec. 11-74.4-4.3. Use or transfer of revenues to another
12 redevelopment project area.

13 (a) Notwithstanding any other provision of law other than
14 subsection (b), revenues received under this Act in one
15 redevelopment project area may not be used for eligible costs
16 in another redevelopment project area on or after the effective
17 date of this amendatory Act of the 100th General Assembly and
18 revenues received under this Act may not be transferred to
19 another redevelopment project area on or after the effective
20 date of this amendatory Act of the 100th General Assembly.

21 (b) If there are any contracts or agreements in force on
22 the effective date of this amendatory Act of the 100th General
23 Assembly, including contracts or agreements for the purposes
24 described in subsection (p) or (q) of Section 11-74.4-4 of this
25 Act, revenues received under this Act may be continue to be

1 used for eligible costs in another redevelopment project area
2 or transferred to another redevelopment project area after the
3 effective date of this amendatory Act of the 100th General
4 Assembly only to the extent necessary to comply with the
5 contract or agreement. The contract or agreement may not be
6 renewed or extended after the effective date of this amendatory
7 Act of the 100th General Assembly unless the contract or
8 agreement complies with the provisions of this Act at the time
9 the contract is executed.

10 (65 ILCS 5/11-74.4-8e new)

11 Sec. 11-74.4-8e. Website posting of revenues received. A
12 municipality must post on its website, at least quarterly, how
13 all revenue received under this Act was expended, including to
14 whom each expense was paid.