



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 2/6/2004, by James F. Clayborne Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-181 new	
315 ILCS 20/3-11	from Ch. 67 1/2, par. 253-11
315 ILCS 20/4	from Ch. 67 1/2, par. 254
315 ILCS 20/15	from Ch. 67 1/2, par. 265
315 ILCS 20/15-5 new	
315 ILCS 20/17	from Ch. 67 1/2, par. 267

Amends the Neighborhood Redevelopment Corporation Law. Provides that, upon approval of the governing body of a city, village, or incorporated town, after it complies with notice, hearing, and other requirements, the general real estate taxes on the improvements on real property of a neighborhood redevelopment corporation or its immediate successor in that city, village, or incorporated town shall be abated for a period not in excess of 10 years after the date upon which the corporation becomes owner of that real property. The tax on that property, however, exclusive of improvements, may continue to be imposed and collected but shall be frozen at the amount of taxes owed, or that would have been owed, for the property as unimproved in the year prior to the year it was acquired by the neighborhood redevelopment corporation. For the next ensuing period not in excess of 15 years, general real estate taxes on the property shall be abated in an amount not to exceed 50% of the taxes imposed by each taxing district. The parties may agree, by contract, to payments in lieu of taxes. After a period of not more than 25 years, tax abatements are eliminated. Limits the provisions to property located in St. Clair County. For St. Clair County, changes the Law with respect to what constitutes a "slum and blighted area", who may appoint members of the Commission and the number of Commissioners, and how certificates of convenience and necessity are approved. Amends the Property Tax Code to authorize the abatements. Effective immediately.

LRB093 21070 SJM 47102 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning economic development.

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

4 Section 5. The Property Tax Code is amended by adding
5 Section 18-181 as follows:

6 (35 ILCS 200/18-181 new)

7 Sec. 18-181. Abatement of neighborhood redevelopment
8 corporation property. The county clerk shall abate the
9 property taxes imposed on the property of a neighborhood
10 redevelopment corporation as provided in Section 15-5 of the
11 Neighborhood Redevelopment Corporation Law.

12 Section 10. The Neighborhood Redevelopment Corporation
13 Law is amended by changing Sections 3-11, 4, 15, and 17 and by
14 adding Section 15-5 as follows:

15 (315 ILCS 20/3-11) (from Ch. 67 1/2, par. 253-11)

16 Sec. 3-11. "Slum and Blight Areas" means those urban
17 districts in which the major portion of the housing is
18 detrimental to the health, safety, morality or welfare of the
19 occupants by reason of age, dilapidation, overcrowding, faulty
20 arrangement, lack of ventilation, light or sanitation
21 facilities, or any combination of these factors. In St. Clair
22 County, "slum and blighted area" also means any area of not
23 less in the aggregate than 2 acres located within the
24 territorial limits of a municipality where buildings or
25 improvements, by reason of dilapidation, obsolescence,
26 overcrowding, faulty arrangement or design, lack of
27 ventilation, light and sanitary facilities, excessive land
28 coverage, deleterious land use or layout or any combination of
29 these factors, are detrimental to the public safety, health,
30 morals, or welfare.

1 (Source: Laws 1947, p. 685.)

2 (315 ILCS 20/4) (from Ch. 67 1/2, par. 254)

3 Sec. 4. Creation and establishment of redevelopment
4 commissions.

5 (a) Any city, village or incorporated town shall have the
6 power to provide for the creation of a Redevelopment Commission
7 to supervise and regulate Neighborhood Redevelopment
8 Corporations organized pursuant to the provisions of this Act
9 to operate within the boundaries of such city, village or
10 incorporated town.

11 (1) Except as provided in subdivision (a)(2), such
12 Redevelopment Commission shall consist of not less than
13 three nor more than five members, one of which members
14 shall be designated as its chairman, to be appointed by the
15 mayor of the city, by and with the advice and consent of
16 the city council of the city, or by the president of the
17 village or incorporated town, as the case may be, by and
18 with the advice and consent of the board of trustees of the
19 village or incorporated town. Each member of the
20 Redevelopment Commission shall hold office for a term of
21 two years and until his successor shall be appointed and
22 qualified. Any vacancy in the membership of the
23 Redevelopment Commission occurring by reason of the death,
24 resignation, disqualification, inability or refusal to act
25 of any of the members thereof shall be filled by
26 appointment by the mayor or president, as the case may be,
27 by and with the advice and consent of the city council of
28 the city or board of trustees of the village or
29 incorporated town, as the case may be.

30 (2) In St. Clair County, the Redevelopment Commission
31 shall consist of either 5 or 7 appointed members as
32 determined by the mayor. The mayor and each member of the
33 city council may nominate a person to fill each position on
34 the Redevelopment Commission. The president of the village
35 or incorporated town, as the case may be, and each member

1 of the board of trustees of the village or incorporated
2 town may nominate a person to fill each position on the
3 Redevelopment Commission. Each nominee must be a person of
4 recognized ability and experience in one or more of the
5 following areas: economic development; finance; banking;
6 industrial development; small business management; real
7 estate development; community development; venture
8 finance; organized labor; or civic, community, or
9 neighborhood organization. A nominated person shall be
10 appointed to the Redevelopment Commission only upon a
11 majority vote of the city council or the board of trustees
12 of the village or incorporated town, as the case may be.
13 Only one person may fill each open position on the
14 Redevelopment Commission. One of the appointed members
15 shall be designated as the chairman of the Redevelopment
16 Commission by a majority vote of the city council or the
17 board of trustees of the village or incorporated town, as
18 the case may be. Only one member may serve as chairman at
19 any given time.

20 The initial terms of members of the Redevelopment
21 Commission appointed under this subdivision (a)(2) shall
22 be as follows: for a Commission consisting of 5 members: 2
23 terms for 3 years, 2 terms for 2 years, and one term for
24 one year; for a Commission consisting of 7 members: 3 terms
25 for 3 years, 3 terms for 2 years, and one term for 1 year.
26 The length of the term of the first Commissioners shall be
27 determined by lots at their first meeting. The initial
28 terms of office of members who are to so hold office shall
29 continue until the July 1 that next follows the expiration
30 of the respective periods from the date of the appointment
31 of the member, and until his or her successor is appointed
32 and qualified.

33 Each subsequent Commissioner appointed under this
34 subdivision (a)(2) shall hold officer for a term of for 4
35 years and until his or her successor is appointed and
36 qualified.

1 The unexpired term of any vacancy in the membership of
2 the Redevelopment Commission occurring by reason of the
3 death, resignation, disqualification, inability, or
4 refusal to act of any of the members thereof shall be
5 filled in the same manner as the vacated position was
6 filled.

7 In addition to the 5 or 7 appointed members, the
8 Director of Commerce and Economic Opportunity, or his or
9 her designee, and the Secretary of Transportation, or his
10 or her designee, shall serve as ex officio non-voting
11 members.

12 (b) No person holding stocks or Mortgages in any
13 Neighborhood Redevelopment Corporation, or who is in any other
14 manner directly or indirectly pecuniarily interested in such
15 Neighborhood Redevelopment Corporation, or in the Development
16 undertaken by it, shall be appointed as a member of, or be
17 employed by, that Redevelopment Commission to whose
18 supervision and regulation such Neighborhood Redevelopment
19 Corporation is subject. If any such member or employee shall
20 voluntarily become so interested his office or employment shall
21 ipso facto become vacant. If any such member or employee
22 becomes so interested otherwise than voluntarily he shall
23 within ninety days divest himself of such interest and if he
24 fails to do so his office or employment shall become vacant.

25 (c) The Redevelopment Commission shall have power, subject
26 to the approval of the city council of the city, or of the
27 president and the board of trustees of the village or
28 incorporated town, as the case may be, to appoint a secretary
29 and from time to time to employ such accountants, engineers,
30 architects, experts, inspectors, clerks and other employees
31 and fix their compensation.

32 (d) Each member of the Redevelopment Commission shall
33 receive such salary as shall be fixed by the city council of
34 the city, or by the president and the board of trustees of the
35 village or incorporated town, as the case may be, and said city
36 council or president and board of trustees shall have power to

1 provide for the payment of the salaries of all members and the
2 expenses of the Redevelopment Commission.

3 (Source: Laws 1941, vol. 1, p. 431.)

4 (315 ILCS 20/15) (from Ch. 67 1/2, par. 265)

5 Sec. 15. Taxation of Neighborhood Redevelopment
6 Corporations.

7 Except as provided in Section 15-5, Neighborhood
8 Redevelopment Corporations organized under this Act,
9 notwithstanding their function in the Redevelopment of Slum and
10 Blight or Conservation Areas, shall be subject to the same
11 taxation, general and special, as to their assets, tangible and
12 intangible, and as to their capital stock, as is imposed by law
13 upon the assets and capital stock of private corporations for
14 profit organized pursuant to the laws of this State.

15 (Source: Laws 1953, p. 1138.)

16 (315 ILCS 20/15-5 new)

17 Sec. 15-5. Property tax abatement; limitation.

18 (a) Once the requirements of this Section have been
19 complied with, except as otherwise provided in this Section,
20 the general real estate taxes imposed on the real property
21 located in St. Clair County of a neighborhood redevelopment
22 corporation or its immediate successor and acquired pursuant to
23 this Law shall be abated for a period not in excess of 10 years
24 after the date upon which the corporation becomes owner of that
25 real property.

26 (b) General real estate taxes may be imposed and collected,
27 however, to the extent and in the amount as may be imposed upon
28 that real property during that period measured solely by the
29 amount of the assessed valuation of the land, exclusive of
30 improvements, acquired pursuant to this Law and owned by the
31 neighborhood redevelopment corporation or its immediate
32 successor, as was determined by the county, township, or
33 multi-township assessor, for real estate taxes due and payable
34 thereon during the calendar year preceding the calendar year

1 during which the corporation acquired title to the real
2 property. The assessed valuation shall not be increased during
3 that period so long as the real property is owned by a
4 neighborhood redevelopment corporation or its immediate
5 successor and used in accordance with a development plan
6 authorized by the Redevelopment Commission under this Law.

7 (c) If, however, the real property was exempt from general
8 real estate taxes immediately prior to ownership by any
9 neighborhood redevelopment corporation, the county, township,
10 or multi-township assessor shall, upon acquisition of title by
11 the neighborhood redevelopment corporation, promptly assess
12 the land, exclusive of improvements, at a valuation that
13 conforms to but does not exceed the assessed valuation made
14 during the preceding calendar year of other land, exclusive of
15 improvements, that is adjacent or in the same general
16 neighborhood, and the amount of that assessed valuation shall
17 not be increased during the period set pursuant to subsection
18 (a) so long as the real property is owned by a neighborhood
19 redevelopment corporation or its immediate successor and used
20 in accordance with a development plan authorized by the
21 Redevelopment Commission.

22 (d) For the next ensuing period not in excess of 15 years,
23 general real estate taxes upon that real property shall be
24 abated in an amount not to exceed 50% of the taxes imposed by
25 each taxing district so long as the real property is owned by a
26 neighborhood redevelopment corporation or its immediate
27 successor and used in accordance with an authorized development
28 plan.

29 (e) After a period totaling not more than 25 years, the
30 real property shall be subject to assessment and payment of all
31 real estate taxes, based on the full fair cash value of the
32 real property.

33 (f) The tax abatement authorized by this Section shall not
34 become effective unless the governing body of the city,
35 village, or incorporated town in which the property is located
36 does all of the following:

1 (1) Furnishes each taxing district whose boundaries
2 for real estate taxation purposes include any portion of
3 the real property to be affected by the tax abatement with
4 a written statement of the impact on real estate taxes the
5 tax abatement will have on those taxing districts and
6 written notice of the hearing to be held in accordance with
7 subdivision (f)(2). The written statement and notice
8 required by this subdivision (f)(1) shall be furnished as
9 provided by local ordinance before the hearing and shall
10 include, but need not be limited to, an estimate of the
11 amount of real estate tax revenues of each taxing district
12 that will be affected by the proposed tax abatement, based
13 on the estimated assessed valuation of the real property
14 involved as the property would exist before and after it is
15 redeveloped.

16 (2) Conducts a public hearing regarding the tax
17 abatement. At the hearing all taxing districts described in
18 subdivision (f)(1) have the right to be heard on the grant
19 of any tax abatement.

20 (3) Enacts an ordinance that provides for expiration of
21 the tax abatement. The ordinance shall provide for a
22 duration of time within which the real property must be
23 acquired and may allow for acquisition of property under
24 the plan in phases.

25 (g) Notwithstanding any other provision of law to the
26 contrary, payments in lieu of taxes may be imposed by contract
27 between a city, village, or incorporated town and a
28 neighborhood redevelopment corporation or its immediate
29 successor that receives a tax abatement on property pursuant to
30 this Section. The payments shall be made to the county
31 collector of the county by December 31 of each year payments
32 are due. The governing body of the city, village, or
33 incorporated town shall furnish the collector with a copy of
34 any such contract requiring payment in lieu of taxes. The
35 collector shall allocate all revenues received from the payment
36 in lieu of taxes among all taxing districts whose real estate

1 tax revenues are affected by the abatement on the same pro rata
2 basis and in the same manner as the real estate tax revenues
3 received by each taxing district from that property in the year
4 the payments are due.

5 (315 ILCS 20/17) (from Ch. 67 1/2, par. 267)

6 Sec. 17. Acquisition of property and construction subject
7 to approval - Application for and issuance of certificates of
8 convenience and necessity). No Neighborhood Redevelopment
9 Corporation shall acquire title to any Real Property, or any
10 interest therein except by way of unexercised option, or
11 institute any Development without making written application
12 to the Redevelopment Commission for approval of the proposed
13 Development Plan in the manner hereinafter prescribed, and
14 without securing the certificate of convenience and necessity
15 to be issued by the Redevelopment Commission upon the
16 conditions hereinafter mentioned.

17 (1) The application of a Neighborhood Redevelopment
18 Corporation for approval of its proposed Development Plan shall
19 contain:

20 (a) The legal description of the proposed Development Area
21 and the description thereof by city blocks, street and number,
22 if any.

23 (b) A statement of the character of the estates in Real
24 Property to be acquired by the Neighborhood Redevelopment
25 Corporation.

26 (c) A statement showing the present use of the Real
27 Property in the proposed Development Area, the zoning
28 restrictions, if any, thereon, and the private restrictions, if
29 any, of record, and that no interest in Real Property in the
30 proposed Development Area is to be acquired because of the
31 race, color, creed, national origin or sex of any person owning
32 or claiming an interest in that Real Property.

33 (d) A statement of the existing buildings or improvements
34 in the Development Area, if any, which are to be demolished.

35 (e) A statement of the existing buildings or improvements,

1 if any, in the Development Area which are not to be immediately
2 demolished and the approximate period of time within which the
3 demolition, if any, of each such building or improvement is to
4 take place.

5 (f) A statement of the proposed improvements, if any, of
6 each building, if any, not to be demolished immediately, and
7 any proposed repairs or alterations of such buildings.

8 (g) A statement of the type, number and character of each
9 new industrial, commercial, residential, public or other
10 building or improvement to be erected or made.

11 (h) A metes and bounds description of that portion of the
12 proposed Development Area to be devoted for a park, playground
13 or recreation center for the use of the Development, the
14 specific use to which such portion is to be put and the manner
15 in which it shall be improved.

16 (i) A statement of those portions, if any, of the proposed
17 Development Area (other than the portions to be devoted for a
18 park, playground or recreation center for the use of the
19 Development) to be left as open land area and the manner in
20 which such portions, if any, shall be maintained.

21 (j) A statement of recommended changes, if any, in the
22 zoning ordinances, necessary or desirable for the Development
23 and its protection against blighting influences.

24 (k) A statement of recommended changes, if any, in streets
25 or street levels and of recommended vacations, if any, of
26 streets, alleys, or other public spaces.

27 (l) A statement in detail of the estimated Development Cost
28 and of the proposed method of financing the Development,
29 sufficient to give assurance that the Neighborhood
30 Redevelopment Corporation will be able to complete and operate
31 the Development.

32 (m) An estimate of the periods of time within which, after
33 the approval of the Development Plan, the Neighborhood
34 Redevelopment Corporation will be able to initiate and to
35 complete its Development, excepting unexpected delays not
36 caused by it.

1 (n) A statement of the character, approximate number of
2 units, approximate rentals and approximate date of
3 availability of the proposed dwelling accommodations, if any,
4 to be furnished during construction and upon completion of the
5 Development.

6 (o) Such other statements or material as the applicant
7 Neighborhood Redevelopment Corporation deems relevant,
8 including recommendations for the Redevelopment of one or more
9 areas contiguous to the proposed Development Area.

10 (2) No certificate of convenience and necessity shall be
11 issued by the Redevelopment Commission upon application by a
12 Neighborhood Redevelopment Corporation except upon the
13 fulfillment of the following conditions:

14 (a) That the Neighborhood Redevelopment Corporation has
15 filed with the Redevelopment Commission a bond, in form and
16 with surety or sureties satisfactory to the Redevelopment
17 Commission, in the penal sum of ten per centum of the estimated
18 Development Cost as set out in the application of the
19 Neighborhood Redevelopment Corporation but in no event to
20 exceed \$10,000.00, payable to the city, village or incorporated
21 town creating the Redevelopment Commission, the payment to be
22 deposited in the general corporate fund of such city, village
23 or incorporated town, the bond to be conditioned upon the
24 initiation and completion of the Development within the
25 respective time limits, or authorized extensions thereof,
26 prescribed by the Redevelopment Commission.

27 (b) That the Neighborhood Redevelopment Corporation has
28 agreed in writing to incorporate in its instruments of sale,
29 conveyance, transfer, lease or assignment such restrictions as
30 the Redevelopment Commission may by rule, pursuant to paragraph
31 1 of Section 25 of this Act, impose as to the type of
32 construction, use, landscape and architectural design of the
33 Development.

34 (c) That the Neighborhood Redevelopment Corporation, other
35 than for or in a Conservation Area, has agreed in writing to
36 devote as a minimum ten per centum of the Development Area for

1 a park, playground or recreation center for the use of the
2 Development (the site or sites for which shall be determined by
3 the Redevelopment Commission), to provide adequate financial
4 arrangements for defraying the upkeep thereof during its
5 corporate existence, and to place thereon, in the manner
6 prescribed by subparagraph (b) of paragraph 2 of this Section,
7 such use restrictions as the Development Commission may by rule
8 impose; Provided, that in determining the proportion of open
9 land area required by any zoning ordinance compared to the land
10 area used for building purposes, the portion so devoted for
11 park, playground or recreation center shall be counted as open
12 land area.

13 (d) That the Neighborhood Redevelopment Corporation has
14 agreed in writing that in selling, leasing and managing all
15 Real Property subject to the plan there will be no
16 discrimination against any person on account of race, color,
17 creed, national origin or sex.

18 (e) That the Redevelopment Commission shall, after the
19 public hearing provided by paragraph 1 of Section 18 of this
20 Act, have made the determinations provided in paragraph 3 of
21 this Section 17, either originally or after the application has
22 been remanded upon judicial review.

23 (3) The Redevelopment Commission, before the issuance of
24 the certificate of convenience and necessity to a Neighborhood
25 Redevelopment Corporation, shall determine that:

26 (a) The Development Area is within an area which, under the
27 conditions existing at the time, is a Slum and Blight or
28 Conservation Area as defined by this Act and that no interest
29 in Real Property in the proposed Development Area is to be
30 acquired because of the race, color, creed, national origin or
31 sex of any person owning or claiming any interest in that Real
32 Property.

33 (b) The Redevelopment of the Development Area in accordance
34 with the Development Plan is designed to effectuate the public
35 purposes declared in Section 2 of this Act.

36 (c) The Development Plan conforms to the zoning ordinances,

1 if any, applicable to the Development Area, and further
2 conforms to the official plan of the city, village or
3 incorporated town wherein the Development Area is located, or,
4 in the absence of such an official plan, to the plan, if any,
5 adopted by the Plan Commission, if any, of such city, village
6 or incorporated town as evidenced by a report on such adopted
7 plan prepared by such Plan Commission and on file with the
8 Redevelopment Commission.

9 (d) Public facilities, including, but not limited to, fire
10 and police protection, and recreation, are presently adequate,
11 or will be adequate at the time that the Development is ready
12 for use, to service the Development Area.

13 (e) The execution of the Development Plan will not cause
14 undue hardship to the families, if any, occupying dwelling
15 accommodations in the Development Area, to such a degree as to
16 outweigh the public use defined in Section 2 of this Act to be
17 achieved through the Redevelopment of such Development Area.

18 (f) The estimated Development Cost of the Development is
19 sufficient for the proposed Redevelopment.

20 (g) Other than in or for a Conservation Area, no portion,
21 greater by ten per centum in area, of the Development Area is
22 designed by the Development Plan for use other than residential
23 except in those instances wherein the Plan Commission, if any,
24 of the city, village or incorporated town concerned, has filed
25 with the Redevelopment Commission, pursuant to paragraph 1 of
26 Section 18 of this Act, an advisory report recommending a
27 greater portion by area than ten per centum, in which
28 instances, no portion, greater than that so recommended, of the
29 Development Area is designed by the Development Plan for use
30 other than residential.

31 (h) The conditions prescribed by paragraph 2 of this
32 Section have been fulfilled.

33 (4) No certificate of convenience and necessity shall be
34 issued by a Redevelopment Commission in St. Clair County
35 without the approval, by a majority vote, of the of the city
36 council or the board of trustees of the village or incorporated

1 town, as the case may be, in which the Development Area is
2 located.

3 (Source: P.A. 81-266.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.