

# HB0360



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB0360

Introduced 1/26/2007, by Rep. Sandy Cole

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-5

from Ch. 24, par. 11-74.4-5

Amends the Tax Increment Allocation Redevelopment Act. Provides that the joint review board shall appoint a person to preside over certain public hearings.

LRB095 06498 HLH 26599 b

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 11-74.4-5 as follows:

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

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

1 before the effective date of this amendatory Act of the 91st  
2 General Assembly.

3 Prior to the adoption of an ordinance proposing the  
4 designation of a redevelopment project area, or approving a  
5 redevelopment plan or redevelopment project, the municipality  
6 by its corporate authorities, or as it may determine by any  
7 commission designated under subsection (k) of Section  
8 11-74.4-4 shall adopt an ordinance or resolution fixing a time  
9 and place for public hearing. At least 10 days prior to the  
10 adoption of the ordinance or resolution establishing the time  
11 and place for the public hearing, the municipality shall make  
12 available for public inspection a redevelopment plan or a  
13 separate report that provides in reasonable detail the basis  
14 for the eligibility of the redevelopment project area. The  
15 report along with the name of a person to contact for further  
16 information shall be sent within a reasonable time after the  
17 adoption of such ordinance or resolution to the affected taxing  
18 districts by certified mail. On and after the effective date of  
19 this amendatory Act of the 91st General Assembly, the  
20 municipality shall print in a newspaper of general circulation  
21 within the municipality a notice that interested persons may  
22 register with the municipality in order to receive information  
23 on the proposed designation of a redevelopment project area or  
24 the approval of a redevelopment plan. The notice shall state  
25 the place of registration and the operating hours of that  
26 place. The municipality shall have adopted reasonable rules to

1 implement this registration process under Section 11-74.4-4.2.  
2 The municipality shall provide notice of the availability of  
3 the redevelopment plan and eligibility report, including how to  
4 obtain this information, by mail within a reasonable time after  
5 the adoption of the ordinance or resolution, to all residential  
6 addresses that, after a good faith effort, the municipality  
7 determines are located outside the proposed redevelopment  
8 project area and within 750 feet of the boundaries of the  
9 proposed redevelopment project area. This requirement is  
10 subject to the limitation that in a municipality with a  
11 population of over 100,000, if the total number of residential  
12 addresses outside the proposed redevelopment project area and  
13 within 750 feet of the boundaries of the proposed redevelopment  
14 project area exceeds 750, the municipality shall be required to  
15 provide the notice to only the 750 residential addresses that,  
16 after a good faith effort, the municipality determines are  
17 outside the proposed redevelopment project area and closest to  
18 the boundaries of the proposed redevelopment project area.  
19 Notwithstanding the foregoing, notice given after August 7,  
20 2001 (the effective date of Public Act 92-263) and before the  
21 effective date of this amendatory Act of the 92nd General  
22 Assembly to residential addresses within 750 feet of the  
23 boundaries of a proposed redevelopment project area shall be  
24 deemed to have been sufficiently given in compliance with this  
25 Act if given only to residents outside the boundaries of the  
26 proposed redevelopment project area. The notice shall also be

1 provided by the municipality, regardless of its population, to  
2 those organizations and residents that have registered with the  
3 municipality for that information in accordance with the  
4 registration guidelines established by the municipality under  
5 Section 11-74.4-4.2.

6 With respect to a public hearing held on or after the  
7 effective date of this amendatory Act of the 95th General  
8 Assembly that requires the formation of a joint review board  
9 under this Section, the joint review board shall appoint a  
10 person to preside over the meeting.

11 At the public hearing any interested person or affected  
12 taxing district may file with the municipal clerk written  
13 objections to and may be heard orally in respect to any issues  
14 embodied in the notice. The municipality shall hear all  
15 protests and objections at the hearing and the hearing may be  
16 adjourned to another date without further notice other than a  
17 motion to be entered upon the minutes fixing the time and place  
18 of the subsequent hearing. At the public hearing or at any time  
19 prior to the adoption by the municipality of an ordinance  
20 approving a redevelopment plan, the municipality may make  
21 changes in the redevelopment plan. Changes which (1) add  
22 additional parcels of property to the proposed redevelopment  
23 project area, (2) substantially affect the general land uses  
24 proposed in the redevelopment plan, (3) substantially change  
25 the nature of or extend the life of the redevelopment project,  
26 or (4) increase the number of inhabited residential units to be

1 displaced from the redevelopment project area, as measured from  
2 the time of creation of the redevelopment project area, to a  
3 total of more than 10, shall be made only after the  
4 municipality gives notice, convenes a joint review board, and  
5 conducts a public hearing pursuant to the procedures set forth  
6 in this Section and in Section 11-74.4-6 of this Act. Changes  
7 which do not (1) add additional parcels of property to the  
8 proposed redevelopment project area, (2) substantially affect  
9 the general land uses proposed in the redevelopment plan, (3)  
10 substantially change the nature of or extend the life of the  
11 redevelopment project, or (4) increase the number of inhabited  
12 residential units to be displaced from the redevelopment  
13 project area, as measured from the time of creation of the  
14 redevelopment project area, to a total of more than 10, may be  
15 made without further hearing, provided that the municipality  
16 shall give notice of any such changes by mail to each affected  
17 taxing district and registrant on the interested parties  
18 registry, provided for under Section 11-74.4-4.2, and by  
19 publication in a newspaper of general circulation within the  
20 affected taxing district. Such notice by mail and by  
21 publication shall each occur not later than 10 days following  
22 the adoption by ordinance of such changes. Hearings with regard  
23 to a redevelopment project area, project or plan may be held  
24 simultaneously.

25 (b) Prior to holding a public hearing to approve or amend a  
26 redevelopment plan or to designate or add additional parcels of

1 property to a redevelopment project area, the municipality  
2 shall convene a joint review board. The board shall consist of  
3 a representative selected by each community college district,  
4 local elementary school district and high school district or  
5 each local community unit school district, park district,  
6 library district, township, fire protection district, and  
7 county that will have the authority to directly levy taxes on  
8 the property within the proposed redevelopment project area at  
9 the time that the proposed redevelopment project area is  
10 approved, a representative selected by the municipality and a  
11 public member. The public member shall first be selected and  
12 then the board's chairperson shall be selected by a majority of  
13 the board members present and voting.

14 For redevelopment project areas with redevelopment plans  
15 or proposed redevelopment plans that would result in the  
16 displacement of residents from 10 or more inhabited residential  
17 units or that include 75 or more inhabited residential units,  
18 the public member shall be a person who resides in the  
19 redevelopment project area. If, as determined by the housing  
20 impact study provided for in paragraph (5) of subsection (n) of  
21 Section 11-74.4-3, or if no housing impact study is required  
22 then based on other reasonable data, the majority of  
23 residential units are occupied by very low, low, or moderate  
24 income households, as defined in Section 3 of the Illinois  
25 Affordable Housing Act, the public member shall be a person who  
26 resides in very low, low, or moderate income housing within the

1 redevelopment project area. Municipalities with fewer than  
2 15,000 residents shall not be required to select a person who  
3 lives in very low, low, or moderate income housing within the  
4 redevelopment project area, provided that the redevelopment  
5 plan or project will not result in displacement of residents  
6 from 10 or more inhabited units, and the municipality so  
7 certifies in the plan. If no person satisfying these  
8 requirements is available or if no qualified person will serve  
9 as the public member, then the joint review board is relieved  
10 of this paragraph's selection requirements for the public  
11 member.

12 Within 90 days of the effective date of this amendatory Act  
13 of the 91st General Assembly, each municipality that designated  
14 a redevelopment project area for which it was not required to  
15 convene a joint review board under this Section shall convene a  
16 joint review board to perform the duties specified under  
17 paragraph (e) of this Section.

18 All board members shall be appointed and the first board  
19 meeting shall be held at least 14 days but not more than 28  
20 days after the mailing of notice by the municipality to the  
21 taxing districts as required by Section 11-74.4-6(c).  
22 Notwithstanding the preceding sentence, a municipality that  
23 adopted either a public hearing resolution or a feasibility  
24 resolution between July 1, 1999 and July 1, 2000 that called  
25 for the meeting of the joint review board within 14 days of  
26 notice of public hearing to affected taxing districts is deemed



1 to be in compliance with the notice, meeting, and public  
2 hearing provisions of the Act. Such notice shall also advise  
3 the taxing bodies represented on the joint review board of the  
4 time and place of the first meeting of the board. Additional  
5 meetings of the board shall be held upon the call of any  
6 member. The municipality seeking designation of the  
7 redevelopment project area shall provide administrative  
8 support to the board.

9 The board shall review (i) the public record, planning  
10 documents and proposed ordinances approving the redevelopment  
11 plan and project and (ii) proposed amendments to the  
12 redevelopment plan or additions of parcels of property to the  
13 redevelopment project area to be adopted by the municipality.  
14 As part of its deliberations, the board may hold additional  
15 hearings on the proposal. A board's recommendation shall be an  
16 advisory, non-binding recommendation. The recommendation shall  
17 be adopted by a majority of those members present and voting.  
18 The recommendations shall be submitted to the municipality  
19 within 30 days after convening of the board. Failure of the  
20 board to submit its report on a timely basis shall not be cause  
21 to delay the public hearing or any other step in the process of  
22 designating or amending the redevelopment project area but  
23 shall be deemed to constitute approval by the joint review  
24 board of the matters before it.

25 The board shall base its recommendation to approve or  
26 disapprove the redevelopment plan and the designation of the

1 redevelopment project area or the amendment of the  
2 redevelopment plan or addition of parcels of property to the  
3 redevelopment project area on the basis of the redevelopment  
4 project area and redevelopment plan satisfying the plan  
5 requirements, the eligibility criteria defined in Section  
6 11-74.4-3, and the objectives of this Act.

7 The board shall issue a written report describing why the  
8 redevelopment plan and project area or the amendment thereof  
9 meets or fails to meet one or more of the objectives of this  
10 Act and both the plan requirements and the eligibility criteria  
11 defined in Section 11-74.4-3. In the event the Board does not  
12 file a report it shall be presumed that these taxing bodies  
13 find the redevelopment project area and redevelopment plan  
14 satisfy the objectives of this Act and the plan requirements  
15 and eligibility criteria.

16 If the board recommends rejection of the matters before it,  
17 the municipality will have 30 days within which to resubmit the  
18 plan or amendment. During this period, the municipality will  
19 meet and confer with the board and attempt to resolve those  
20 issues set forth in the board's written report that led to the  
21 rejection of the plan or amendment.

22 Notwithstanding the resubmission set forth above, the  
23 municipality may commence the scheduled public hearing and  
24 either adjourn the public hearing or continue the public  
25 hearing until a date certain. Prior to continuing any public  
26 hearing to a date certain, the municipality shall announce

1 during the public hearing the time, date, and location for the  
2 reconvening of the public hearing. Any changes to the  
3 redevelopment plan necessary to satisfy the issues set forth in  
4 the joint review board report shall be the subject of a public  
5 hearing before the hearing is adjourned if the changes would  
6 (1) substantially affect the general land uses proposed in the  
7 redevelopment plan, (2) substantially change the nature of or  
8 extend the life of the redevelopment project, or (3) increase  
9 the number of inhabited residential units to be displaced from  
10 the redevelopment project area, as measured from the time of  
11 creation of the redevelopment project area, to a total of more  
12 than 10. Changes to the redevelopment plan necessary to satisfy  
13 the issues set forth in the joint review board report shall not  
14 require any further notice or convening of a joint review board  
15 meeting, except that any changes to the redevelopment plan that  
16 would add additional parcels of property to the proposed  
17 redevelopment project area shall be subject to the notice,  
18 public hearing, and joint review board meeting requirements  
19 established for such changes by subsection (a) of Section  
20 11-74.4-5.

21 In the event that the municipality and the board are unable  
22 to resolve these differences, or in the event that the  
23 resubmitted plan or amendment is rejected by the board, the  
24 municipality may proceed with the plan or amendment, but only  
25 upon a three-fifths vote of the corporate authority responsible  
26 for approval of the plan or amendment, excluding positions of

1 members that are vacant and those members that are ineligible  
2 to vote because of conflicts of interest.

3 (c) After a municipality has by ordinance approved a  
4 redevelopment plan and designated a redevelopment project  
5 area, the plan may be amended and additional properties may be  
6 added to the redevelopment project area only as herein  
7 provided. Amendments which (1) add additional parcels of  
8 property to the proposed redevelopment project area, (2)  
9 substantially affect the general land uses proposed in the  
10 redevelopment plan, (3) substantially change the nature of the  
11 redevelopment project, (4) increase the total estimated  
12 redevelopment project costs set out in the redevelopment plan  
13 by more than 5% after adjustment for inflation from the date  
14 the plan was adopted, (5) add additional redevelopment project  
15 costs to the itemized list of redevelopment project costs set  
16 out in the redevelopment plan, or (6) increase the number of  
17 inhabited residential units to be displaced from the  
18 redevelopment project area, as measured from the time of  
19 creation of the redevelopment project area, to a total of more  
20 than 10, shall be made only after the municipality gives  
21 notice, convenes a joint review board, and conducts a public  
22 hearing pursuant to the procedures set forth in this Section  
23 and in Section 11-74.4-6 of this Act. Changes which do not (1)  
24 add additional parcels of property to the proposed  
25 redevelopment project area, (2) substantially affect the  
26 general land uses proposed in the redevelopment plan, (3)

1 substantially change the nature of the redevelopment project,  
2 (4) increase the total estimated redevelopment project cost set  
3 out in the redevelopment plan by more than 5% after adjustment  
4 for inflation from the date the plan was adopted, (5) add  
5 additional redevelopment project costs to the itemized list of  
6 redevelopment project costs set out in the redevelopment plan,  
7 or (6) increase the number of inhabited residential units to be  
8 displaced from the redevelopment project area, as measured from  
9 the time of creation of the redevelopment project area, to a  
10 total of more than 10, may be made without further public  
11 hearing and related notices and procedures including the  
12 convening of a joint review board as set forth in Section  
13 11-74.4-6 of this Act, provided that the municipality shall  
14 give notice of any such changes by mail to each affected taxing  
15 district and registrant on the interested parties registry,  
16 provided for under Section 11-74.4-4.2, and by publication in a  
17 newspaper of general circulation within the affected taxing  
18 district. Such notice by mail and by publication shall each  
19 occur not later than 10 days following the adoption by  
20 ordinance of such changes.

21 (d) After the effective date of this amendatory Act of the  
22 91st General Assembly, a municipality shall submit the  
23 following information for each redevelopment project area (i)  
24 to the State Comptroller under Section 8-8-3.5 of the Illinois  
25 Municipal Code and (ii) to all taxing districts overlapping the  
26 redevelopment project area no later than 180 days after the

1 close of each municipal fiscal year or as soon thereafter as  
2 the audited financial statements become available and, in any  
3 case, shall be submitted before the annual meeting of the Joint  
4 Review Board to each of the taxing districts that overlap the  
5 redevelopment project area:

6 (1) Any amendments to the redevelopment plan, the  
7 redevelopment project area, or the State Sales Tax  
8 Boundary.

9 (1.5) A list of the redevelopment project areas  
10 administered by the municipality and, if applicable, the  
11 date each redevelopment project area was designated or  
12 terminated by the municipality.

13 (2) Audited financial statements of the special tax  
14 allocation fund once a cumulative total of \$100,000 has  
15 been deposited in the fund.

16 (3) Certification of the Chief Executive Officer of the  
17 municipality that the municipality has complied with all of  
18 the requirements of this Act during the preceding fiscal  
19 year.

20 (4) An opinion of legal counsel that the municipality  
21 is in compliance with this Act.

22 (5) An analysis of the special tax allocation fund  
23 which sets forth:

24 (A) the balance in the special tax allocation fund  
25 at the beginning of the fiscal year;

26 (B) all amounts deposited in the special tax

1 allocation fund by source;

2 (C) an itemized list of all expenditures from the  
3 special tax allocation fund by category of permissible  
4 redevelopment project cost; and

5 (D) the balance in the special tax allocation fund  
6 at the end of the fiscal year including a breakdown of  
7 that balance by source and a breakdown of that balance  
8 identifying any portion of the balance that is  
9 required, pledged, earmarked, or otherwise designated  
10 for payment of or securing of obligations and  
11 anticipated redevelopment project costs. Any portion  
12 of such ending balance that has not been identified or  
13 is not identified as being required, pledged,  
14 earmarked, or otherwise designated for payment of or  
15 securing of obligations or anticipated redevelopment  
16 projects costs shall be designated as surplus as set  
17 forth in Section 11-74.4-7 hereof.

18 (6) A description of all property purchased by the  
19 municipality within the redevelopment project area  
20 including:

21 (A) Street address.

22 (B) Approximate size or description of property.

23 (C) Purchase price.

24 (D) Seller of property.

25 (7) A statement setting forth all activities  
26 undertaken in furtherance of the objectives of the

1 redevelopment plan, including:

2 (A) Any project implemented in the preceding  
3 fiscal year.

4 (B) A description of the redevelopment activities  
5 undertaken.

6 (C) A description of any agreements entered into by  
7 the municipality with regard to the disposition or  
8 redevelopment of any property within the redevelopment  
9 project area or the area within the State Sales Tax  
10 Boundary.

11 (D) Additional information on the use of all funds  
12 received under this Division and steps taken by the  
13 municipality to achieve the objectives of the  
14 redevelopment plan.

15 (E) Information regarding contracts that the  
16 municipality's tax increment advisors or consultants  
17 have entered into with entities or persons that have  
18 received, or are receiving, payments financed by tax  
19 increment revenues produced by the same redevelopment  
20 project area.

21 (F) Any reports submitted to the municipality by  
22 the joint review board.

23 (G) A review of public and, to the extent possible,  
24 private investment actually undertaken to date after  
25 the effective date of this amendatory Act of the 91st  
26 General Assembly and estimated to be undertaken during



1 the following year. This review shall, on a  
2 project-by-project basis, set forth the estimated  
3 amounts of public and private investment incurred  
4 after the effective date of this amendatory Act of the  
5 91st General Assembly and provide the ratio of private  
6 investment to public investment to the date of the  
7 report and as estimated to the completion of the  
8 redevelopment project.

9 (8) With regard to any obligations issued by the  
10 municipality:

11 (A) copies of any official statements; and

12 (B) an analysis prepared by financial advisor or  
13 underwriter setting forth: (i) nature and term of  
14 obligation; and (ii) projected debt service including  
15 required reserves and debt coverage.

16 (9) For special tax allocation funds that have  
17 experienced cumulative deposits of incremental tax  
18 revenues of \$100,000 or more, a certified audit report  
19 reviewing compliance with this Act performed by an  
20 independent public accountant certified and licensed by  
21 the authority of the State of Illinois. The financial  
22 portion of the audit must be conducted in accordance with  
23 Standards for Audits of Governmental Organizations,  
24 Programs, Activities, and Functions adopted by the  
25 Comptroller General of the United States (1981), as  
26 amended, or the standards specified by Section 8-8-5 of the

1 Illinois Municipal Auditing Law of the Illinois Municipal  
2 Code. The audit report shall contain a letter from the  
3 independent certified public accountant indicating  
4 compliance or noncompliance with the requirements of  
5 subsection (q) of Section 11-74.4-3. For redevelopment  
6 plans or projects that would result in the displacement of  
7 residents from 10 or more inhabited residential units or  
8 that contain 75 or more inhabited residential units, notice  
9 of the availability of the information, including how to  
10 obtain the report, required in this subsection shall also  
11 be sent by mail to all residents or organizations that  
12 operate in the municipality that register with the  
13 municipality for that information according to  
14 registration procedures adopted under Section 11-74.4-4.2.  
15 All municipalities are subject to this provision.

16 (d-1) Prior to the effective date of this amendatory Act of  
17 the 91st General Assembly, municipalities with populations of  
18 over 1,000,000 shall, after adoption of a redevelopment plan or  
19 project, make available upon request to any taxing district in  
20 which the redevelopment project area is located the following  
21 information:

22 (1) Any amendments to the redevelopment plan, the  
23 redevelopment project area, or the State Sales Tax  
24 Boundary; and

25 (2) In connection with any redevelopment project area  
26 for which the municipality has outstanding obligations

1 issued to provide for redevelopment project costs pursuant  
2 to Section 11-74.4-7, audited financial statements of the  
3 special tax allocation fund.

4 (e) The joint review board shall meet annually 180 days  
5 after the close of the municipal fiscal year or as soon as the  
6 redevelopment project audit for that fiscal year becomes  
7 available to review the effectiveness and status of the  
8 redevelopment project area up to that date.

9 (f) (Blank).

10 (g) In the event that a municipality has held a public  
11 hearing under this Section prior to March 14, 1994 (the  
12 effective date of Public Act 88-537), the requirements imposed  
13 by Public Act 88-537 relating to the method of fixing the time  
14 and place for public hearing, the materials and information  
15 required to be made available for public inspection, and the  
16 information required to be sent after adoption of an ordinance  
17 or resolution fixing a time and place for public hearing shall  
18 not be applicable.

19 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
20 91-900, eff. 7-6-00; 92-263, eff. 8-7-01; 92-624, eff.  
21 7-11-02.)