



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

**HB3744**

Introduced 2/25/2009, by Rep. Linda Chapa LaVia

#### 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. Provides that a municipality may use revenues received under this Act from one redevelopment project area for eligible costs in another redevelopment area that is (i) located in a municipality with a population of less than 15,000 and (ii) located within 1.5 miles from the redevelopment project area from which the revenues are received by the municipality. Effective immediately.

LRB096 11186 RLJ 21575 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. A municipality may:

9 (a) The changes made by this amendatory Act of the 91st  
10 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 By ordinance introduced in the governing body of the  
5 municipality within 14 to 90 days from the completion of the  
6 hearing specified in Section 11-74.4-5 approve redevelopment  
7 plans and redevelopment projects, and designate redevelopment  
8 project areas pursuant to notice and hearing required by this  
9 Act. No redevelopment project area shall be designated unless a  
10 plan and project are approved prior to the designation of such  
11 area and such area shall include only those contiguous parcels  
12 of real property and improvements thereon substantially  
13 benefited by the proposed redevelopment project improvements.  
14 Upon adoption of the ordinances, the municipality shall  
15 forthwith transmit to the county clerk of the county or  
16 counties within which the redevelopment project area is located  
17 a certified copy of the ordinances, a legal description of the  
18 redevelopment project area, a map of the redevelopment project  
19 area, identification of the year that the county clerk shall  
20 use for determining the total initial equalized assessed value  
21 of the redevelopment project area consistent with subsection  
22 (a) of Section 11-74.4-9, and a list of the parcel or tax  
23 identification number of each parcel of property included in  
24 the redevelopment project area.

25 (b) Make and enter into all contracts with property owners,  
26 developers, tenants, overlapping taxing bodies, and others

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

17 (c) Within a redevelopment project area, acquire by  
18 purchase, donation, lease or eminent domain; own, convey,  
19 lease, mortgage or dispose of land and other property, real or  
20 personal, or rights or interests therein, and grant or acquire  
21 licenses, easements and options with respect thereto, all in  
22 the manner and at such price the municipality determines is  
23 reasonably necessary to achieve the objectives of the  
24 redevelopment plan and project. No conveyance, lease,  
25 mortgage, disposition of land or other property owned by a  
26 municipality, or agreement relating to the development of such

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

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

13 (e) Within a redevelopment project area, renovate or  
14 rehabilitate or construct any structure or building, as  
15 permitted under this Act.

16 (f) Install, repair, construct, reconstruct or relocate  
17 streets, utilities and site improvements essential to the  
18 preparation of the redevelopment area for use in accordance  
19 with a redevelopment plan.

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

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

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

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

17 (k) Create a commission of not less than 5 or more than 15  
18 persons to be appointed by the mayor or president of the  
19 municipality with the consent of the majority of the governing  
20 board of the municipality. Members of a commission appointed  
21 after the effective date of this amendatory Act of 1987 shall  
22 be appointed for initial terms of 1, 2, 3, 4 and 5 years,  
23 respectively, in such numbers as to provide that the terms of  
24 not more than 1/3 of all such members shall expire in any one  
25 year. Their successors shall be appointed for a term of 5  
26 years. The commission, subject to approval of the corporate

1 authorities may exercise the powers enumerated in this Section.  
2 The commission shall also have the power to hold the public  
3 hearings required by this division and make recommendations to  
4 the corporate authorities concerning the adoption of  
5 redevelopment plans, redevelopment projects and designation of  
6 redevelopment project areas.

7 (l) Make payment in lieu of taxes or a portion thereof to  
8 taxing districts. If payments in lieu of taxes or a portion  
9 thereof are made to taxing districts, those payments shall be  
10 made to all districts within a project redevelopment area on a  
11 basis which is proportional to the current collections of  
12 revenue which each taxing district receives from real property  
13 in the redevelopment project area.

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

16 (n) If any member of the corporate authority, a member of a  
17 commission established pursuant to Section 11-74.4-4(k) of  
18 this Act, or an employee or consultant of the municipality  
19 involved in the planning and preparation of a redevelopment  
20 plan, or project for a redevelopment project area or proposed  
21 redevelopment project area, as defined in Sections  
22 11-74.4-3(i) through (k) of this Act, owns or controls an  
23 interest, direct or indirect, in any property included in any  
24 redevelopment area, or proposed redevelopment area, he or she  
25 shall disclose the same in writing to the clerk of the  
26 municipality, and shall also so disclose the dates and terms

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



1 amendatory Act of the 94th General Assembly by a member of the  
2 corporate authority does not constitute an interest in any  
3 property included in any redevelopment area or proposed  
4 redevelopment area, regardless of when the redevelopment area  
5 was established, if (i) the property is used exclusively as the  
6 member's primary residence, (ii) the member discloses the  
7 acquisition to the municipal clerk under the provisions of this  
8 subsection, (iii) the acquisition is for fair market value,  
9 (iv) the member acquires the property as a result of the  
10 property being publicly advertised for sale, and (v) the member  
11 refrains from voting on, and communicating with other members  
12 concerning, any matter when the benefits to the redevelopment  
13 project or area would be significantly greater than the  
14 benefits to the municipality as a whole. For the purposes of  
15 this subsection, a month-to-month leasehold interest in a  
16 single parcel of property by a member of the corporate  
17 authority shall not be deemed to constitute an interest in any  
18 property included in any redevelopment area or proposed  
19 redevelopment area, but the member must disclose the interest  
20 to the municipal clerk under the provisions of this subsection.

21 (o) Create a Tax Increment Economic Development Advisory  
22 Committee to be appointed by the Mayor or President of the  
23 municipality with the consent of the majority of the governing  
24 board of the municipality, the members of which Committee shall  
25 be appointed for initial terms of 1, 2, 3, 4 and 5 years  
26 respectively, in such numbers as to provide that the terms of

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

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

23 (q) Utilize revenues, other than State sales tax increment  
24 revenues, received under this Act from one redevelopment  
25 project area for eligible costs in another redevelopment  
26 project area that is:

1 (i) contiguous to the redevelopment project area from  
2 which the revenues are received;

3 (ii) separated only by a public right of way from the  
4 redevelopment project area from which the revenues are  
5 received; ~~or~~

6 (iii) separated only by forest preserve property from  
7 the redevelopment project area from which the revenues are  
8 received if the closest boundaries of the redevelopment  
9 project areas that are separated by the forest preserve  
10 property are less than one mile apart; or -

11 (iv) located in a municipality with a population of  
12 less than 15,000 and within 1.5 miles from the  
13 redevelopment project area from which the revenues are  
14 received.

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

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

14 (r) If no redevelopment project has been initiated in a  
15 redevelopment project area within 7 years after the area was  
16 designated by ordinance under subsection (a), the municipality  
17 shall adopt an ordinance repealing the area's designation as a  
18 redevelopment project area; provided, however, that if an area  
19 received its designation more than 3 years before the effective  
20 date of this amendatory Act of 1994 and no redevelopment  
21 project has been initiated within 4 years after the effective  
22 date of this amendatory Act of 1994, the municipality shall  
23 adopt an ordinance repealing its designation as a redevelopment  
24 project area. Initiation of a redevelopment project shall be  
25 evidenced by either a signed redevelopment agreement or  
26 expenditures on eligible redevelopment project costs

1 associated with a redevelopment project.

2 (Source: P.A. 93-298, eff. 7-23-03; 93-961, eff. 1-1-05;  
3 93-1098, eff. 1-1-06; 94-1013, eff. 1-1-07.)

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