



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3152

Introduced 2/9/2010, by Sen. Terry Link

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 in the Illinois Municipal Code. Provides that, for each redevelopment project area, municipalities must submit to (i) the State Comptroller and (ii) all taxing districts overlapping the redevelopment project area a list of (1) all intergovernmental agreements in effect during the fiscal year to which the municipality is a party and (2) an accounting of any moneys transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. Effective immediately.

LRB096 19983 HLH 35468 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 11-74.4-5 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 At the public hearing any interested person or affected
7 taxing district may file with the municipal clerk written
8 objections to and may be heard orally in respect to any issues
9 embodied in the notice. The municipality shall hear all
10 protests and objections at the hearing and the hearing may be
11 adjourned to another date without further notice other than a
12 motion to be entered upon the minutes fixing the time and place
13 of the subsequent hearing. At the public hearing or at any time
14 prior to the adoption by the municipality of an ordinance
15 approving a redevelopment plan, the municipality may make
16 changes in the redevelopment plan. Changes which (1) add
17 additional parcels of property to the proposed redevelopment
18 project area, (2) substantially affect the general land uses
19 proposed in the redevelopment plan, (3) substantially change
20 the nature of or extend the life of the redevelopment project,
21 or (4) increase the number of inhabited residential units to be
22 displaced from the redevelopment project area, as measured from
23 the time of creation of the redevelopment project area, to a
24 total of more than 10, shall be made only after the
25 municipality gives notice, convenes a joint review board, and
26 conducts a public hearing pursuant to the procedures set forth

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

20 (b) Prior to holding a public hearing to approve or amend a
21 redevelopment plan or to designate or add additional parcels of
22 property to a redevelopment project area, the municipality
23 shall convene a joint review board. The board shall consist of
24 a representative selected by each community college district,
25 local elementary school district and high school district or
26 each local community unit school district, park district,

1 library district, township, fire protection district, and
2 county that will have the authority to directly levy taxes on
3 the property within the proposed redevelopment project area at
4 the time that the proposed redevelopment project area is
5 approved, a representative selected by the municipality and a
6 public member. The public member shall first be selected and
7 then the board's chairperson shall be selected by a majority of
8 the board members present and voting.

9 For redevelopment project areas with redevelopment plans
10 or proposed redevelopment plans that would result in the
11 displacement of residents from 10 or more inhabited residential
12 units or that include 75 or more inhabited residential units,
13 the public member shall be a person who resides in the
14 redevelopment project area. If, as determined by the housing
15 impact study provided for in paragraph (5) of subsection (n) of
16 Section 11-74.4-3, or if no housing impact study is required
17 then based on other reasonable data, the majority of
18 residential units are occupied by very low, low, or moderate
19 income households, as defined in Section 3 of the Illinois
20 Affordable Housing Act, the public member shall be a person who
21 resides in very low, low, or moderate income housing within the
22 redevelopment project area. Municipalities with fewer than
23 15,000 residents shall not be required to select a person who
24 lives in very low, low, or moderate income housing within the
25 redevelopment project area, provided that the redevelopment
26 plan or project will not result in displacement of residents

1 from 10 or more inhabited units, and the municipality so
2 certifies in the plan. If no person satisfying these
3 requirements is available or if no qualified person will serve
4 as the public member, then the joint review board is relieved
5 of this paragraph's selection requirements for the public
6 member.

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

13 All board members shall be appointed and the first board
14 meeting shall be held at least 14 days but not more than 28
15 days after the mailing of notice by the municipality to the
16 taxing districts as required by Section 11-74.4-6(c).
17 Notwithstanding the preceding sentence, a municipality that
18 adopted either a public hearing resolution or a feasibility
19 resolution between July 1, 1999 and July 1, 2000 that called
20 for the meeting of the joint review board within 14 days of
21 notice of public hearing to affected taxing districts is deemed
22 to be in compliance with the notice, meeting, and public
23 hearing provisions of the Act. Such notice shall also advise
24 the taxing bodies represented on the joint review board of the
25 time and place of the first meeting of the board. Additional
26 meetings of the board shall be held upon the call of any

1 member. The municipality seeking designation of the
2 redevelopment project area shall provide administrative
3 support to the board.

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

20 The board shall base its recommendation to approve or
21 disapprove the redevelopment plan and the designation of the
22 redevelopment project area or the amendment of the
23 redevelopment plan or addition of parcels of property to the
24 redevelopment project area on the basis of the redevelopment
25 project area and redevelopment plan satisfying the plan
26 requirements, the eligibility criteria defined in Section

1 11-74.4-3, and the objectives of this Act.

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

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

17 Notwithstanding the resubmission set forth above, the
18 municipality may commence the scheduled public hearing and
19 either adjourn the public hearing or continue the public
20 hearing until a date certain. Prior to continuing any public
21 hearing to a date certain, the municipality shall announce
22 during the public hearing the time, date, and location for the
23 reconvening of the public hearing. Any changes to the
24 redevelopment plan necessary to satisfy the issues set forth in
25 the joint review board report shall be the subject of a public
26 hearing before the hearing is adjourned if the changes would

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

16 In the event that the municipality and the board are unable
17 to resolve these differences, or in the event that the
18 resubmitted plan or amendment is rejected by the board, the
19 municipality may proceed with the plan or amendment, but only
20 upon a three-fifths vote of the corporate authority responsible
21 for approval of the plan or amendment, excluding positions of
22 members that are vacant and those members that are ineligible
23 to vote because of conflicts of interest.

24 (c) After a municipality has by ordinance approved a
25 redevelopment plan and designated a redevelopment project
26 area, the plan may be amended and additional properties may be

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

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

16 (d) After the effective date of this amendatory Act of the
17 91st General Assembly, a municipality shall submit the
18 following information for each redevelopment project area (i)
19 to the State Comptroller under Section 8-8-3.5 of the Illinois
20 Municipal Code and (ii) to all taxing districts overlapping the
21 redevelopment project area no later than 180 days after the
22 close of each municipal fiscal year or as soon thereafter as
23 the audited financial statements become available and, in any
24 case, shall be submitted before the annual meeting of the Joint
25 Review Board to each of the taxing districts that overlap the
26 redevelopment project area:

1 (1) Any amendments to the redevelopment plan, the
2 redevelopment project area, or the State Sales Tax
3 Boundary.

4 (1.5) A list of the redevelopment project areas
5 administered by the municipality and, if applicable, the
6 date each redevelopment project area was designated or
7 terminated by the municipality.

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

11 (3) Certification of the Chief Executive Officer of the
12 municipality that the municipality has complied with all of
13 the requirements of this Act during the preceding fiscal
14 year.

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

17 (5) An analysis of the special tax allocation fund
18 which sets forth:

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

21 (B) all amounts deposited in the special tax
22 allocation fund by source;

23 (C) an itemized list of all expenditures from the
24 special tax allocation fund by category of permissible
25 redevelopment project cost; and

26 (D) the balance in the special tax allocation fund

1 at the end of the fiscal year including a breakdown of
2 that balance by source and a breakdown of that balance
3 identifying any portion of the balance that is
4 required, pledged, earmarked, or otherwise designated
5 for payment of or securing of obligations and
6 anticipated redevelopment project costs. Any portion
7 of such ending balance that has not been identified or
8 is not identified as being required, pledged,
9 earmarked, or otherwise designated for payment of or
10 securing of obligations or anticipated redevelopment
11 projects costs shall be designated as surplus as set
12 forth in Section 11-74.4-7 hereof.

13 (6) A description of all property purchased by the
14 municipality within the redevelopment project area
15 including:

16 (A) Street address.

17 (B) Approximate size or description of property.

18 (C) Purchase price.

19 (D) Seller of property.

20 (7) A statement setting forth all activities
21 undertaken in furtherance of the objectives of the
22 redevelopment plan, including:

23 (A) Any project implemented in the preceding
24 fiscal year.

25 (B) A description of the redevelopment activities
26 undertaken.

1 (C) A description of any agreements entered into by
2 the municipality with regard to the disposition or
3 redevelopment of any property within the redevelopment
4 project area or the area within the State Sales Tax
5 Boundary.

6 (D) Additional information on the use of all funds
7 received under this Division and steps taken by the
8 municipality to achieve the objectives of the
9 redevelopment plan.

10 (E) Information regarding contracts that the
11 municipality's tax increment advisors or consultants
12 have entered into with entities or persons that have
13 received, or are receiving, payments financed by tax
14 increment revenues produced by the same redevelopment
15 project area.

16 (F) Any reports submitted to the municipality by
17 the joint review board.

18 (G) A review of public and, to the extent possible,
19 private investment actually undertaken to date after
20 the effective date of this amendatory Act of the 91st
21 General Assembly and estimated to be undertaken during
22 the following year. This review shall, on a
23 project-by-project basis, set forth the estimated
24 amounts of public and private investment incurred
25 after the effective date of this amendatory Act of the
26 91st General Assembly and provide the ratio of private

1 investment to public investment to the date of the
2 report and as estimated to the completion of the
3 redevelopment project.

4 (8) With regard to any obligations issued by the
5 municipality:

6 (A) copies of any official statements; and

7 (B) an analysis prepared by financial advisor or
8 underwriter setting forth: (i) nature and term of
9 obligation; and (ii) projected debt service including
10 required reserves and debt coverage.

11 (9) For special tax allocation funds that have
12 experienced cumulative deposits of incremental tax
13 revenues of \$100,000 or more, a certified audit report
14 reviewing compliance with this Act performed by an
15 independent public accountant certified and licensed by
16 the authority of the State of Illinois. The financial
17 portion of the audit must be conducted in accordance with
18 Standards for Audits of Governmental Organizations,
19 Programs, Activities, and Functions adopted by the
20 Comptroller General of the United States (1981), as
21 amended, or the standards specified by Section 8-8-5 of the
22 Illinois Municipal Auditing Law of the Illinois Municipal
23 Code. The audit report shall contain a letter from the
24 independent certified public accountant indicating
25 compliance or noncompliance with the requirements of
26 subsection (q) of Section 11-74.4-3. For redevelopment

1 plans or projects that would result in the displacement of
2 residents from 10 or more inhabited residential units or
3 that contain 75 or more inhabited residential units, notice
4 of the availability of the information, including how to
5 obtain the report, required in this subsection shall also
6 be sent by mail to all residents or organizations that
7 operate in the municipality that register with the
8 municipality for that information according to
9 registration procedures adopted under Section 11-74.4-4.2.
10 All municipalities are subject to this provision.

11 (10) A list of all intergovernmental agreements in
12 effect during the fiscal year to which the municipality is
13 a party and an accounting of any moneys transferred or
14 received by the municipality during that fiscal year
15 pursuant to those intergovernmental agreements.

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.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.