



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4694

Introduced 2/3/2012, by Rep. Robert W. Pritchard

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 of the Illinois Municipal Code. In provisions concerning the approval of a redevelopment plan or redevelopment project area, requires that the joint review board's recommendation concerning the project shall be adopted by a three-fifths majority (now, majority) of the those members present and voting. Further provides that the failure of the board to submit its report on a timely basis shall not (now, shall) be deemed to constitute approval by the joint review board. Provides that in the event the board does not file its report, it shall be presumed that the redevelopment project area and plan do not satisfy (now, do satisfy) certain objectives, requirements, and eligibility criteria. In provisions concerning a resubmitted plan or amendment, prohibits a municipality from proceeding with a plan or amendment if the plan or amendment is rejected by a three-fifths vote of the board. Authorizes the corporate authority responsible for the plan or amendment's approval to approve the plan or amendment by a three-fifths vote if it is rejected by less than a three-fifths vote of the board.

LRB097 17960 KMW 63183 b

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. Public hearing; joint review board.

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

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

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

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

1 proposed redevelopment project area. The notice shall also be
2 provided by the municipality, regardless of its population, to
3 those organizations and residents that have registered with the
4 municipality for that information in accordance with the
5 registration guidelines established by the municipality under
6 Section 11-74.4-4.2.

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

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

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

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

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

1 plan or project will not result in displacement of residents
2 from 10 or more inhabited units, and the municipality so
3 certifies in the plan. If no person satisfying these
4 requirements is available or if no qualified person will serve
5 as the public member, then the joint review board is relieved
6 of this paragraph's selection requirements for the public
7 member.

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

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

1 meetings of the board shall be held upon the call of any
2 member. The municipality seeking designation of the
3 redevelopment project area shall provide administrative
4 support to the board.

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

22 The board shall base its recommendation to approve or
23 disapprove the redevelopment plan and the designation of the
24 redevelopment project area or the amendment of the
25 redevelopment plan or addition of parcels of property to the
26 redevelopment project area on the basis of the redevelopment

1 project area and redevelopment plan satisfying the plan
2 requirements, the eligibility criteria defined in Section
3 11-74.4-3, and the objectives of this Act.

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

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

19 Notwithstanding the resubmission set forth above, the
20 municipality may commence the scheduled public hearing and
21 either adjourn the public hearing or continue the public
22 hearing until a date certain. Prior to continuing any public
23 hearing to a date certain, the municipality shall announce
24 during the public hearing the time, date, and location for the
25 reconvening of the public hearing. Any changes to the
26 redevelopment plan necessary to satisfy the issues set forth in

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

18 ~~In the event that the municipality and the board are unable~~
19 ~~to resolve these differences, or in the event that the~~
20 resubmitted plan or amendment is rejected by a three-fifths
21 vote of the board, the municipality may not proceed with the
22 plan or amendment. In the event that the plan or amendment is
23 rejected by less than a three-fifths vote of the board, the
24 plan or amendment may be approved by , ~~but only upon~~ a
25 three-fifths vote of the corporate authority responsible for
26 its 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 in an
23 electronic format the following information for each
24 redevelopment project area (i) to the State Comptroller under
25 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all
26 taxing districts overlapping the redevelopment project area no

1 later than 180 days after the close of each municipal fiscal
2 year or as soon thereafter as the audited financial statements
3 become available and, in any case, shall be submitted before
4 the annual meeting of the Joint Review Board to each of the
5 taxing districts that overlap the 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 (10) A list of all intergovernmental agreements in
17 effect during the fiscal year to which the municipality is
18 a party and an accounting of any moneys transferred or
19 received by the municipality during that fiscal year
20 pursuant to those intergovernmental agreements.

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

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

4 (2) In connection with any redevelopment project area
5 for which the municipality has outstanding obligations
6 issued to provide for redevelopment project costs pursuant
7 to Section 11-74.4-7, audited financial statements of the
8 special tax allocation fund.

9 (e) The joint review board shall meet annually 180 days
10 after the close of the municipal fiscal year or as soon as the
11 redevelopment project audit for that fiscal year becomes
12 available to review the effectiveness and status of the
13 redevelopment project area up to that date.

14 (f) (Blank).

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

24 (h) On and after the effective date of this amendatory Act
25 of the 96th General Assembly, the State Comptroller must post
26 on the State Comptroller's official website the information

1 submitted by a municipality pursuant to subsection (d) of this
2 Section. The information must be posted no later than 45 days
3 after the State Comptroller receives the information from the
4 municipality. The State Comptroller must also post a list of
5 the municipalities not in compliance with the reporting
6 requirements set forth in subsection (d) of this Section.

7 (i) No later than 10 years after the corporate authorities
8 of a municipality adopt an ordinance to establish a
9 redevelopment project area, the municipality must compile a
10 status report concerning the redevelopment project area. The
11 status report must detail without limitation the following: (i)
12 the amount of revenue generated within the redevelopment
13 project area, (ii) any expenditures made by the municipality
14 for the redevelopment project area including without
15 limitation expenditures from the special tax allocation fund,
16 (iii) the status of planned activities, goals, and objectives
17 set forth in the redevelopment plan including details on new or
18 planned construction within the redevelopment project area,
19 (iv) the amount of private and public investment within the
20 redevelopment project area, and (v) any other relevant
21 evaluation or performance data. Within 30 days after the
22 municipality compiles the status report, the municipality must
23 hold at least one public hearing concerning the report. The
24 municipality must provide 20 days' public notice of the
25 hearing.

26 (j) Beginning in fiscal year 2011 and in each fiscal year

1 thereafter, a municipality must detail in its annual budget (i)
2 the revenues generated from redevelopment project areas by
3 source and (ii) the expenditures made by the municipality for
4 redevelopment project areas.

5 (k) The changes made by this amendatory Act of the 97th
6 General Assembly apply to any redevelopment plan and project
7 area approved by an ordinance adopted on or after the effective
8 date of this amendatory Act of the 97th General Assembly.

9 (Source: P.A. 96-1335, eff. 7-27-10.)