



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5774

Introduced 2/16/2012, by Rep. Robert Rita

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 after the approval by ordinance of a redevelopment plan and designation of redevelopment project area, the plan may be amended and additional properties may be added to the redevelopment project area without notice, a meeting of the joint review board, or a public hearing if (i) the amendment adds additional properties that include dilapidated public bridges owned by the municipality and (ii) the municipality approves the amendment by ordinance before October 1, 2012. Sets forth requirements concerning notice of the changes. Effective immediately.

LRB097 20395 KMW 65870 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, except as provided in
25 subsection (c-1) of this Section. The board shall consist of a
26 representative selected by each community college district,

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

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

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

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

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

1 time and place of the first meeting of the board. Additional
2 meetings of the board shall be held upon the call of any
3 member. The municipality seeking designation of the
4 redevelopment project area shall provide administrative
5 support to the board.

6 The board shall review (i) the public record, planning
7 documents and proposed ordinances approving the redevelopment
8 plan and project and (ii) proposed amendments to the
9 redevelopment plan or additions of parcels of property to the
10 redevelopment project area to be adopted by the municipality.
11 As part of its deliberations, the board may hold additional
12 hearings on the proposal. A board's recommendation shall be an
13 advisory, non-binding recommendation. The recommendation shall
14 be adopted by a majority of those members present and voting.
15 The recommendations shall be submitted to the municipality
16 within 30 days after convening of the board. Failure of the
17 board to submit its report on a timely basis shall not be cause
18 to delay the public hearing or any other step in the process of
19 designating or amending the redevelopment project area but
20 shall be deemed to constitute approval by the joint review
21 board of the matters 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 does not
9 file a report it shall be presumed that these taxing bodies
10 find the redevelopment project area and redevelopment plan
11 satisfy the objectives of this Act and the plan requirements
12 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 the board, the
21 municipality may proceed with the plan or amendment, but only
22 upon a three-fifths vote of the corporate authority responsible
23 for approval of the plan or amendment, excluding positions of
24 members that are vacant and those members that are ineligible
25 to vote because of conflicts of interest.

26 (c) After a municipality has by ordinance approved a

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

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

19 (c-1) After a municipality has by ordinance approved a
20 redevelopment plan and designated a redevelopment project
21 area, the plan may be amended and additional properties may be
22 added to the redevelopment project area without notice, a
23 meeting of the joint review board, or a public hearing if (i)
24 the amendment adds additional properties that include
25 dilapidated public bridges that are owned by the municipality
26 and (ii) the municipality approves the amendment by ordinance

1 before October 1, 2012. The municipality shall give notice of
2 any changes by mail to each affected taxing district and
3 registrant on the interested parties registry, provided for
4 under Section 11-74.4-4.2, and by publication in a newspaper of
5 general circulation within the affected taxing district. The
6 notices by mail and by publication shall each occur not later
7 than 10 days after the adoption by ordinance of the changes.

8 (d) After the effective date of this amendatory Act of the
9 91st General Assembly, a municipality shall submit in an
10 electronic format the following information for each
11 redevelopment project area (i) to the State Comptroller under
12 Section 8-8-3.5 of the Illinois Municipal Code and (ii) to all
13 taxing districts overlapping the redevelopment project area no
14 later than 180 days after the close of each municipal fiscal
15 year or as soon thereafter as the audited financial statements
16 become available and, in any case, shall be submitted before
17 the annual meeting of the Joint Review Board to each of the
18 taxing districts that overlap the redevelopment project area:

19 (1) Any amendments to the redevelopment plan, the
20 redevelopment project area, or the State Sales Tax
21 Boundary.

22 (1.5) A list of the redevelopment project areas
23 administered by the municipality and, if applicable, the
24 date each redevelopment project area was designated or
25 terminated by the municipality.

26 (2) Audited financial statements of the special tax

1 allocation fund once a cumulative total of \$100,000 has
2 been deposited in the fund.

3 (3) Certification of the Chief Executive Officer of the
4 municipality that the municipality has complied with all of
5 the requirements of this Act during the preceding fiscal
6 year.

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

9 (5) An analysis of the special tax allocation fund
10 which sets forth:

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

13 (B) all amounts deposited in the special tax
14 allocation fund by source;

15 (C) an itemized list of all expenditures from the
16 special tax allocation fund by category of permissible
17 redevelopment project cost; and

18 (D) the balance in the special tax allocation fund
19 at the end of the fiscal year including a breakdown of
20 that balance by source and a breakdown of that balance
21 identifying any portion of the balance that is
22 required, pledged, earmarked, or otherwise designated
23 for payment of or securing of obligations and
24 anticipated redevelopment project costs. Any portion
25 of such ending balance that has not been identified or
26 is not identified as being required, pledged,

1 earmarked, or otherwise designated for payment of or
2 securing of obligations or anticipated redevelopment
3 projects costs shall be designated as surplus as set
4 forth in Section 11-74.4-7 hereof.

5 (6) A description of all property purchased by the
6 municipality within the redevelopment project area
7 including:

8 (A) Street address.

9 (B) Approximate size or description of property.

10 (C) Purchase price.

11 (D) Seller of property.

12 (7) A statement setting forth all activities
13 undertaken in furtherance of the objectives of the
14 redevelopment plan, including:

15 (A) Any project implemented in the preceding
16 fiscal year.

17 (B) A description of the redevelopment activities
18 undertaken.

19 (C) A description of any agreements entered into by
20 the municipality with regard to the disposition or
21 redevelopment of any property within the redevelopment
22 project area or the area within the State Sales Tax
23 Boundary.

24 (D) Additional information on the use of all funds
25 received under this Division and steps taken by the
26 municipality to achieve the objectives of the

1 redevelopment plan.

2 (E) Information regarding contracts that the
3 municipality's tax increment advisors or consultants
4 have entered into with entities or persons that have
5 received, or are receiving, payments financed by tax
6 increment revenues produced by the same redevelopment
7 project area.

8 (F) Any reports submitted to the municipality by
9 the joint review board.

10 (G) A review of public and, to the extent possible,
11 private investment actually undertaken to date after
12 the effective date of this amendatory Act of the 91st
13 General Assembly and estimated to be undertaken during
14 the following year. This review shall, on a
15 project-by-project basis, set forth the estimated
16 amounts of public and private investment incurred
17 after the effective date of this amendatory Act of the
18 91st General Assembly and provide the ratio of private
19 investment to public investment to the date of the
20 report and as estimated to the completion of the
21 redevelopment project.

22 (8) With regard to any obligations issued by the
23 municipality:

24 (A) copies of any official statements; and

25 (B) an analysis prepared by financial advisor or
26 underwriter setting forth: (i) nature and term of

1 obligation; and (ii) projected debt service including
2 required reserves and debt coverage.

3 (9) For special tax allocation funds that have
4 experienced cumulative deposits of incremental tax
5 revenues of \$100,000 or more, a certified audit report
6 reviewing compliance with this Act performed by an
7 independent public accountant certified and licensed by
8 the authority of the State of Illinois. The financial
9 portion of the audit must be conducted in accordance with
10 Standards for Audits of Governmental Organizations,
11 Programs, Activities, and Functions adopted by the
12 Comptroller General of the United States (1981), as
13 amended, or the standards specified by Section 8-8-5 of the
14 Illinois Municipal Auditing Law of the Illinois Municipal
15 Code. The audit report shall contain a letter from the
16 independent certified public accountant indicating
17 compliance or noncompliance with the requirements of
18 subsection (q) of Section 11-74.4-3. For redevelopment
19 plans or projects that would result in the displacement of
20 residents from 10 or more inhabited residential units or
21 that contain 75 or more inhabited residential units, notice
22 of the availability of the information, including how to
23 obtain the report, required in this subsection shall also
24 be sent by mail to all residents or organizations that
25 operate in the municipality that register with the
26 municipality for that information according to

1 registration procedures adopted under Section 11-74.4-4.2.
2 All municipalities are subject to this provision.

3 (10) A list of all intergovernmental agreements in
4 effect during the fiscal year to which the municipality is
5 a party and an accounting of any moneys transferred or
6 received by the municipality during that fiscal year
7 pursuant to those intergovernmental agreements.

8 (d-1) Prior to the effective date of this amendatory Act of
9 the 91st General Assembly, municipalities with populations of
10 over 1,000,000 shall, after adoption of a redevelopment plan or
11 project, make available upon request to any taxing district in
12 which the redevelopment project area is located the following
13 information:

14 (1) Any amendments to the redevelopment plan, the
15 redevelopment project area, or the State Sales Tax
16 Boundary; and

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

22 (e) The joint review board shall meet annually 180 days
23 after the close of the municipal fiscal year or as soon as the
24 redevelopment project audit for that fiscal year becomes
25 available to review the effectiveness and status of the
26 redevelopment project area up to that date.

1 (f) (Blank).

2 (g) In the event that a municipality has held a public
3 hearing under this Section prior to March 14, 1994 (the
4 effective date of Public Act 88-537), the requirements imposed
5 by Public Act 88-537 relating to the method of fixing the time
6 and place for public hearing, the materials and information
7 required to be made available for public inspection, and the
8 information required to be sent after adoption of an ordinance
9 or resolution fixing a time and place for public hearing shall
10 not be applicable.

11 (h) On and after the effective date of this amendatory Act
12 of the 96th General Assembly, the State Comptroller must post
13 on the State Comptroller's official website the information
14 submitted by a municipality pursuant to subsection (d) of this
15 Section. The information must be posted no later than 45 days
16 after the State Comptroller receives the information from the
17 municipality. The State Comptroller must also post a list of
18 the municipalities not in compliance with the reporting
19 requirements set forth in subsection (d) of this Section.

20 (i) No later than 10 years after the corporate authorities
21 of a municipality adopt an ordinance to establish a
22 redevelopment project area, the municipality must compile a
23 status report concerning the redevelopment project area. The
24 status report must detail without limitation the following: (i)
25 the amount of revenue generated within the redevelopment
26 project area, (ii) any expenditures made by the municipality

1 for the redevelopment project area including without
2 limitation expenditures from the special tax allocation fund,
3 (iii) the status of planned activities, goals, and objectives
4 set forth in the redevelopment plan including details on new or
5 planned construction within the redevelopment project area,
6 (iv) the amount of private and public investment within the
7 redevelopment project area, and (v) any other relevant
8 evaluation or performance data. Within 30 days after the
9 municipality compiles the status report, the municipality must
10 hold at least one public hearing concerning the report. The
11 municipality must provide 20 days' public notice of the
12 hearing.

13 (j) Beginning in fiscal year 2011 and in each fiscal year
14 thereafter, a municipality must detail in its annual budget (i)
15 the revenues generated from redevelopment project areas by
16 source and (ii) the expenditures made by the municipality for
17 redevelopment project areas.

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

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.