



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2396

Introduced 2/15/2013, by Sen. Andy Manar

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4
65 ILCS 5/11-74.4-9

from Ch. 24, par. 11-74.4-4
from Ch. 24, par. 11-74.4-9

Amends the Illinois Municipal Code. Provides that the year of the most recent assessment made prior to the effective date of the ordinance shall be the year that the county clerk shall use for determining the total initial equalized assessed value of property within the redevelopment project area. Provides that the most recently ascertained equalized assessed value of real property that is exempt from taxation under the Property Tax Code at the time that the municipality adopts an ordinance providing for tax increment allocation financing shall be zero. Provides requirements for the assessing authority and county clerk regarding the equalized assessed value as of the date that the property ceased to be exempt. Provides the formula by which the county clerk must certify the "total initial equalized assessed value as adjusted" of the taxable real property within a redevelopment project area. Further provides that this amendatory Act is declarative of existing law.

LRB098 10183 OMW 40342 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 Sections 11-74.4-4 and 11-74.4-9 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. The changes made by this amendatory Act of the
9 91st 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 Section 11-74.4-5
13 or (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 this Section, until after
18 that municipality adopts an ordinance approving redevelopment
19 plans and redevelopment projects or designating redevelopment
20 project areas under this Section; thereafter the changes made
21 by this amendatory Act of the 91st General Assembly apply to
22 the same extent that they apply to redevelopment plans and
23 redevelopment projects that were approved and redevelopment

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

3 A municipality may:

4 (a) 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, which shall be the year of the most~~
23 recent assessment made prior to the effective date of the
24 ordinance, and a list of the parcel or tax identification
25 number of each parcel of property included in the redevelopment
26 project area. The changes made by this amendatory Act of the

1 98th General Assembly are declarative of existing law.

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

20 (c) Within a redevelopment project area, acquire by
21 purchase, donation, lease or eminent domain; own, convey,
22 lease, mortgage or dispose of land and other property, real or
23 personal, or rights or interests therein, and grant or acquire
24 licenses, easements and options with respect thereto, all in
25 the manner and at such price the municipality determines is
26 reasonably necessary to achieve the objectives of the

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

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

16 (e) Within a redevelopment project area, renovate or
17 rehabilitate or construct any structure or building, as
18 permitted under this Act.

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

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

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

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

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

20 (k) Create a commission of not less than 5 or more than 15
21 persons to be appointed by the mayor or president of the
22 municipality with the consent of the majority of the governing
23 board of the municipality. Members of a commission appointed
24 after the effective date of this amendatory Act of 1987 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 commission, subject to approval of the corporate
4 authorities may exercise the powers enumerated in this Section.
5 The commission shall also have the power to hold the public
6 hearings required by this division and make recommendations to
7 the corporate authorities concerning the adoption of
8 redevelopment plans, redevelopment projects and designation of
9 redevelopment project areas.

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

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

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

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

1 disclose the acquisition to the municipal clerk under the
2 provisions of this subsection. A single property interest
3 acquired within one year after the effective date of this
4 amendatory Act of the 94th General Assembly or 2 years after
5 the effective date of this amendatory Act of the 95th General
6 Assembly by a member of the corporate authority does not
7 constitute an interest in any property included in any
8 redevelopment area or proposed redevelopment area, regardless
9 of when the redevelopment area was established, if (i) the
10 property is used exclusively as the member's primary residence,
11 (ii) the member discloses the acquisition to the municipal
12 clerk under the provisions of this subsection, (iii) the
13 acquisition is for fair market value, (iv) the member acquires
14 the property as a result of the property being publicly
15 advertised for sale, and (v) the member refrains from voting
16 on, and communicating with other members concerning, any matter
17 when the benefits to the redevelopment project or area would be
18 significantly greater than the benefits to the municipality as
19 a whole. For the purposes of this subsection, a month-to-month
20 leasehold interest in a single parcel of property by a member
21 of the corporate authority shall not be deemed to constitute an
22 interest in any property included in any redevelopment area or
23 proposed redevelopment area, but the member must disclose the
24 interest to the municipal clerk under the provisions of this
25 subsection.

26 (o) Create a Tax Increment Economic Development Advisory

1 Committee to be appointed by the Mayor or President of the
2 municipality with the consent of the majority of the governing
3 board of the municipality, the members of which Committee shall
4 be appointed for initial terms of 1, 2, 3, 4 and 5 years
5 respectively, in such numbers as to provide that the terms of
6 not more than 1/3 of all such members shall expire in any one
7 year. Their successors shall be appointed for a term of 5
8 years. The Committee shall have none of the powers enumerated
9 in this Section. The Committee shall serve in an advisory
10 capacity only. The Committee may advise the governing Board of
11 the municipality and other municipal officials regarding
12 development issues and opportunities within the redevelopment
13 project area or the area within the State Sales Tax Boundary.
14 The Committee may also promote and publicize development
15 opportunities in the redevelopment project area or the area
16 within the State Sales Tax Boundary.

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

1 otherwise permitted in the Act.

2 (q) Utilize revenues, other than State sales tax increment
3 revenues, received under this Act from one redevelopment
4 project area for eligible costs in another redevelopment
5 project area that is:

6 (i) contiguous to the redevelopment project area from
7 which the revenues are received;

8 (ii) separated only by a public right of way from the
9 redevelopment project area from which the revenues are
10 received; or

11 (iii) separated only by forest preserve property from
12 the redevelopment project area from which the revenues are
13 received if the closest boundaries of the redevelopment
14 project areas that are separated by the forest preserve
15 property are less than one mile apart.

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

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

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

1 expenditures on eligible redevelopment project costs
2 associated with a redevelopment project.

3 Notwithstanding any other provision of this Section to the
4 contrary, with respect to a redevelopment project area
5 designated by an ordinance that was adopted on July 29, 1998 by
6 the City of Chicago, the City of Chicago shall adopt an
7 ordinance repealing the area's designation as a redevelopment
8 project area if no redevelopment project has been initiated in
9 the redevelopment project area within 15 years after the
10 designation of the area. The City of Chicago may retroactively
11 repeal any ordinance adopted by the City of Chicago, pursuant
12 to this subsection (r), that repealed the designation of a
13 redevelopment project area designated by an ordinance that was
14 adopted by the City of Chicago on July 29, 1998. The City of
15 Chicago has 90 days after the effective date of this amendatory
16 Act to repeal the ordinance. The changes to this Section made
17 by this amendatory Act of the 96th General Assembly apply
18 retroactively to July 27, 2005.

19 (Source: P.A. 96-1555, eff. 3-18-11; 97-333, eff. 8-12-11.)

20 (65 ILCS 5/11-74.4-9) (from Ch. 24, par. 11-74.4-9)

21 Sec. 11-74.4-9. Equalized assessed value of property.

22 (a) If a municipality by ordinance provides for tax
23 increment allocation financing pursuant to Section 11-74.4-8,
24 the county clerk immediately thereafter shall determine (1) the
25 most recently ascertained equalized assessed value of each lot,

1 block, tract or parcel of real property within such
2 redevelopment project area from which shall be deducted the
3 homestead exemptions under Article 15 of the Property Tax Code,
4 which value shall be the "initial equalized assessed value" of
5 each such piece of property, and (2) the total equalized
6 assessed value of all taxable real property within such
7 redevelopment project area by adding together the most recently
8 ascertained equalized assessed value of each taxable lot,
9 block, tract, or parcel of real property within such project
10 area, from which shall be deducted the homestead exemptions
11 provided by Sections 15-170, 15-175, and 15-176 of the Property
12 Tax Code, and shall certify such amount as the "total initial
13 equalized assessed value" of the taxable real property within
14 such project area.

15 (a-1) For purposes of subsection (a) of this Section, the
16 most recently ascertained equalized assessed value of each lot,
17 block, tract, or parcel of real property that is exempt from
18 taxation pursuant to Sections 15-35 through 15-167 of the
19 Property Tax Code at the time that the municipality adopts an
20 ordinance providing for tax increment allocation financing
21 shall be zero. Whenever any lot, block, tract, or parcel ceases
22 to be eligible for exemption, the assessing authority shall
23 certify to the county clerk the equalized assessed value as of
24 the date that the property ceased to be exempt. The county
25 clerk shall promptly adjust the initial equalized assessed
26 value of that lot, block, tract, or parcel to equal the value

1 certified by the assessing authority. The county clerk shall
2 also adjust the total initial equalized assessed value of all
3 property within the redevelopment project area as of the date
4 that the property ceased to be exempt by adding the adjusted
5 equalized assessed value of that property to the total initial
6 assessed value of all taxable real property within the
7 redevelopment area. The county clerk shall then promptly
8 certify the amount as the "total initial equalized assessed
9 value as adjusted" of the taxable real property within such
10 redevelopment project area.

11 This amendatory Act of the 98th General Assembly is
12 declarative of existing law. Assessing authorities and county
13 clerks that have not previously adjusted equalized assessed
14 values due to changes in exemptions with respect to properties
15 in redevelopment project areas existing as of the effective
16 date of this amendatory Act of the 98th General Assembly shall
17 do so within 60 days of the effective date of this amendatory
18 Act of the 98th General Assembly.

19 (b) In reference to any municipality which has adopted tax
20 increment financing after January 1, 1978, and in respect to
21 which the county clerk has certified the "total initial
22 equalized assessed value" of the property in the redevelopment
23 area, the municipality may thereafter request the clerk in
24 writing to adjust the initial equalized value of all taxable
25 real property within the redevelopment project area, or the
26 "total initial equalized assessed value as adjusted" that has

1 been determined pursuant to subsection (a-1) of this Section,
2 by deducting therefrom the exemptions under Article 15 of the
3 Property Tax Code applicable to each lot, block, tract or
4 parcel of real property within such redevelopment project area.
5 The county clerk shall immediately after the written request to
6 adjust the total initial equalized value is received determine
7 the total homestead exemptions in the redevelopment project
8 area provided by Sections 15-170, 15-175, and 15-176 of the
9 Property Tax Code by adding together the homestead exemptions
10 provided by said Sections on each lot, block, tract or parcel
11 of real property within such redevelopment project area and
12 then shall deduct the total of said exemptions from the total
13 initial equalized assessed value. The county clerk shall then
14 promptly certify such amount as the "total initial equalized
15 assessed value as adjusted" of the taxable real property within
16 such redevelopment project area.

17 (c) After the county clerk has certified the "total initial
18 equalized assessed value" of the taxable real property in such
19 area, then in respect to every taxing district containing a
20 redevelopment project area, the county clerk or any other
21 official required by law to ascertain the amount of the
22 equalized assessed value of all taxable property within such
23 district for the purpose of computing the rate per cent of tax
24 to be extended upon taxable property within such district,
25 shall in every year that tax increment allocation financing is
26 in effect ascertain the amount of value of taxable property in

1 a redevelopment project area by including in such amount the
2 lower of the current equalized assessed value or the certified
3 "total initial equalized assessed value" of all taxable real
4 property in such area, except that after he has certified the
5 "total initial equalized assessed value as adjusted" he shall
6 in the year of said certification if tax rates have not been
7 extended and in every year thereafter that tax increment
8 allocation financing is in effect ascertain the amount of value
9 of taxable property in a redevelopment project area by
10 including in such amount the lower of the current equalized
11 assessed value or the certified "total initial equalized
12 assessed value as adjusted" of all taxable real property in
13 such area. The rate per cent of tax determined shall be
14 extended to the current equalized assessed value of all
15 property in the redevelopment project area in the same manner
16 as the rate per cent of tax is extended to all other taxable
17 property in the taxing district. The method of extending taxes
18 established under this Section shall terminate when the
19 municipality adopts an ordinance dissolving the special tax
20 allocation fund for the redevelopment project area. This
21 Division shall not be construed as relieving property owners
22 within a redevelopment project area from paying a uniform rate
23 of taxes upon the current equalized assessed value of their
24 taxable property as provided in the Property Tax Code.

25 (Source: P.A. 95-644, eff. 10-12-07.)