

AN ACT in relation to economic development.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Property Tax Code is amended by adding Section 18-181 as follows:

(35 ILCS 200/18-181 new)

Sec. 18-181. Abatement of neighborhood redevelopment corporation property. The county clerk shall abate the property taxes imposed on the property of a neighborhood redevelopment corporation as provided in Section 15-5 of the Neighborhood Redevelopment Corporation Law.

Section 10. The Neighborhood Redevelopment Corporation Law is amended by changing Sections 3-11, 4, 15, and 17 and by adding Section 15-5 as follows:

(315 ILCS 20/3-11) (from Ch. 67 1/2, par. 253-11)

Sec. 3-11. "Slum and Blight Areas" means those urban districts in which the major portion of the housing is detrimental to the health, safety, morality or welfare of the occupants by reason of age, dilapidation, overcrowding, faulty arrangement, lack of ventilation, light or sanitation facilities, or any combination of these factors. In St. Clair County, "slum and blighted area" also means any area of not less in the aggregate than 2 acres located within the territorial limits of a municipality where buildings or improvements, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or layout or any combination of these factors, are detrimental to the public safety, health, morals, or welfare.

(Source: Laws 1947, p. 685.)

(315 ILCS 20/4) (from Ch. 67 1/2, par. 254)

Sec. 4. Creation and establishment of redevelopment commissions.

(a) Any city, village or incorporated town shall have the power to provide for the creation of a Redevelopment Commission to supervise and regulate Neighborhood Redevelopment Corporations organized pursuant to the provisions of this Act to operate within the boundaries of such city, village or incorporated town.

(1) Except as provided in subdivision (a)(2), such Redevelopment Commission shall consist of not less than three nor more than five members, one of which members shall be designated as its chairman, to be appointed by the mayor of the city, by and with the advice and consent of the city council of the city, or by the president of the village or incorporated town, as the case may be, by and with the advice and consent of the board of trustees of the village or incorporated town. Each member of the Redevelopment Commission shall hold office for a term of two years and until his successor shall be appointed and qualified. Any vacancy in the membership of the Redevelopment Commission occurring by reason of the death, resignation, disqualification, inability or refusal to act of any of the members thereof shall be filled by appointment by the mayor or president, as the case may be, by and with the advice and consent of the city council of the city or board of trustees of the village or incorporated town, as the case may be.

(2) In St. Clair County, the Redevelopment Commission shall consist of either 5 or 7 appointed members as determined by the mayor. The mayor and each member of the city council may nominate a person to fill each position on the Redevelopment Commission. The president of the village or incorporated town, as the case may be, and each member

of the board of trustees of the village or incorporated town may nominate a person to fill each position on the Redevelopment Commission. Each nominee must be a person of recognized ability and experience in one or more of the following areas: economic development; finance; banking; industrial development; small business management; real estate development; community development; venture finance; organized labor; or civic, community, or neighborhood organization. A nominated person shall be appointed to the Redevelopment Commission only upon a majority vote of the city council or the board of trustees of the village or incorporated town, as the case may be. Only one person may fill each open position on the Redevelopment Commission. One of the appointed members shall be designated as the chairman of the Redevelopment Commission by a majority vote of the city council or the board of trustees of the village or incorporated town, as the case may be. Only one member may serve as chairman at any given time.

The initial terms of members of the Redevelopment Commission appointed under this subdivision (a)(2) shall be as follows: for a Commission consisting of 5 members: 2 terms for 3 years, 2 terms for 2 years, and one term for one year; for a Commission consisting of 7 members: 3 terms for 3 years, 3 terms for 2 years, and one term for 1 year. The length of the term of the first Commissioners shall be determined by lots at their first meeting. The initial terms of office of members who are to hold office shall continue until the July 1 that next follows the expiration of the respective periods from the date of the appointment of the member, and until his or her successor is appointed and qualified.

Each subsequent Commissioner appointed under this subdivision (a)(2) shall hold office for a term of 4 years and until his or her successor is appointed and qualified.

The unexpired term of any vacancy in the membership of

the Redevelopment Commission occurring by reason of the death, resignation, disqualification, inability, or refusal to act of any of the members thereof shall be filled in the same manner as the vacated position was filled.

In addition to the 5 or 7 appointed members, the Director of Commerce and Economic Opportunity, or his or her designee, and the Secretary of Transportation, or his or her designee, shall serve as ex officio non-voting members.

(b) No person holding stocks or Mortgages in any Neighborhood Redevelopment Corporation, or who is in any other manner directly or indirectly pecuniarily interested in such Neighborhood Redevelopment Corporation, or in the Development undertaken by it, shall be appointed as a member of, or be employed by, that Redevelopment Commission to whose supervision and regulation such Neighborhood Redevelopment Corporation is subject. If any such member or employee shall voluntarily become so interested his office or employment shall ipso facto become vacant. If any such member or employee becomes so interested otherwise than voluntarily he shall within ninety days divest himself of such interest and if he fails to do so his office or employment shall become vacant.

(c) The Redevelopment Commission shall have power, subject to the approval of the city council of the city, or of the president and the board of trustees of the village or incorporated town, as the case may be, to appoint a secretary and from time to time to employ such accountants, engineers, architects, experts, inspectors, clerks and other employees and fix their compensation.

(d) Each member of the Redevelopment Commission shall receive such salary as shall be fixed by the city council of the city, or by the president and the board of trustees of the village or incorporated town, as the case may be, and said city council or president and board of trustees shall have power to provide for the payment of the salaries of all members and the

expenses of the Redevelopment Commission.

(Source: Laws 1941, vol. 1, p. 431.)

(315 ILCS 20/15) (from Ch. 67 1/2, par. 265)

Sec. 15. Taxation of Neighborhood Redevelopment Corporations.

Except as provided in Section 15-5, Neighborhood Redevelopment Corporations organized under this Act, notwithstanding their function in the Redevelopment of Slum and Blight or Conservation Areas, shall be subject to the same taxation, general and special, as to their assets, tangible and intangible, and as to their capital stock, as is imposed by law upon the assets and capital stock of private corporations for profit organized pursuant to the laws of this State.

(Source: Laws 1953, p. 1138.)

(315 ILCS 20/15-5 new)

Sec. 15-5. Property tax abatement; limitation.

(a) Once the requirements of this Section have been complied with, except as otherwise provided in this Section, the general real estate taxes imposed on the real property located in St. Clair County of a neighborhood redevelopment corporation or its immediate successor and acquired pursuant to this Law shall be abated for a period not in excess of 10 years after the date upon which the corporation becomes owner of that real property.

(b) General real estate taxes may be imposed and collected, however, to the extent and in the amount as may be imposed upon that real property during that period measured solely by the amount of the assessed valuation of the land, exclusive of improvements, acquired pursuant to this Law and owned by the neighborhood redevelopment corporation or its immediate successor, as was determined by the county, township, or multi-township assessor, for real estate taxes due and payable thereon during the calendar year preceding the calendar year during which the corporation acquired title to the real

property. The assessed valuation shall not be increased during that period so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with a development plan authorized by the Redevelopment Commission under this Law.

(c) If, however, the real property was exempt from general real estate taxes immediately prior to ownership by any neighborhood redevelopment corporation, the county, township, or multi-township assessor shall, upon acquisition of title by the neighborhood redevelopment corporation, promptly assess the land, exclusive of improvements, at a valuation that conforms to but does not exceed the assessed valuation made during the preceding calendar year of other land, exclusive of improvements, that is adjacent or in the same general neighborhood, and the amount of that assessed valuation shall not be increased during the period set pursuant to subsection (a) so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with a development plan authorized by the Redevelopment Commission.

(d) For the next ensuing period not in excess of 15 years, general real estate taxes upon that real property shall be abated in an amount not to exceed 50% of the taxes imposed by each taxing district so long as the real property is owned by a neighborhood redevelopment corporation or its immediate successor and used in accordance with an authorized development plan.

(e) After a period totaling not more than 25 years, the real property shall be subject to assessment and payment of all real estate taxes, based on the full fair cash value of the real property.

(f) The tax abatement authorized by this Section shall not become effective unless the governing body of the city, village, or incorporated town in which the property is located does all of the following:

(1) Furnishes each taxing district whose boundaries

for real estate taxation purposes include any portion of the real property to be affected by the tax abatement with a written statement of the impact on real estate taxes the tax abatement will have on those taxing districts and written notice of the hearing to be held in accordance with subdivision (f)(2). The written statement and notice required by this subdivision (f)(1) shall be furnished as provided by local ordinance before the hearing and shall include, but need not be limited to, an estimate of the amount of real estate tax revenues of each taxing district that will be affected by the proposed tax abatement, based on the estimated assessed valuation of the real property involved as the property would exist before and after it is redeveloped.

(2) Conducts a public hearing regarding the tax abatement. At the hearing all taxing districts described in subdivision (f)(1) have the right to be heard on the grant of any tax abatement.

(3) Enacts an ordinance that provides for expiration of the tax abatement. The ordinance shall provide for a duration of time within which the real property must be acquired and may allow for acquisition of property under the plan in phases.

(g) Notwithstanding any other provision of law to the contrary, payments in lieu of taxes may be imposed by contract between a city, village, or incorporated town and a neighborhood redevelopment corporation or its immediate successor that receives a tax abatement on property pursuant to this Section. The payments shall be made to the county collector of the county by December 31 of each year payments are due. The governing body of the city, village, or incorporated town shall furnish the collector with a copy of any such contract requiring payment in lieu of taxes. The collector shall allocate all revenues received from the payment in lieu of taxes among all taxing districts whose real estate tax revenues are affected by the abatement on the same pro rata

basis and in the same manner as the real estate tax revenues received by each taxing district from that property in the year the payments are due.

(315 ILCS 20/17) (from Ch. 67 1/2, par. 267)

Sec. 17. Acquisition of property and construction subject to approval - Application for and issuance of certificates of convenience and necessity). No Neighborhood Redevelopment Corporation shall acquire title to any Real Property, or any interest therein except by way of unexercised option, or institute any Development without making written application to the Redevelopment Commission for approval of the proposed Development Plan in the manner hereinafter prescribed, and without securing the certificate of convenience and necessity to be issued by the Redevelopment Commission upon the conditions hereinafter mentioned.

(1) The application of a Neighborhood Redevelopment Corporation for approval of its proposed Development Plan shall contain:

(a) The legal description of the proposed Development Area and the description thereof by city blocks, street and number, if any.

(b) A statement of the character of the estates in Real Property to be acquired by the Neighborhood Redevelopment Corporation.

(c) A statement showing the present use of the Real Property in the proposed Development Area, the zoning restrictions, if any, thereon, and the private restrictions, if any, of record, and that no interest in Real Property in the proposed Development Area is to be acquired because of the race, color, creed, national origin or sex of any person owning or claiming an interest in that Real Property.

(d) A statement of the existing buildings or improvements in the Development Area, if any, which are to be demolished.

(e) A statement of the existing buildings or improvements, if any, in the Development Area which are not to be immediately

demolished and the approximate period of time within which the demolition, if any, of each such building or improvement is to take place.

(f) A statement of the proposed improvements, if any, of each building, if any, not to be demolished immediately, and any proposed repairs or alterations of such buildings.

(g) A statement of the type, number and character of each new industrial, commercial, residential, public or other building or improvement to be erected or made.

(h) A metes and bounds description of that portion of the proposed Development Area to be devoted for a park, playground or recreation center for the use of the Development, the specific use to which such portion is to be put and the manner in which it shall be improved.

(i) A statement of those portions, if any, of the proposed Development Area (other than the portions to be devoted for a park, playground or recreation center for the use of the Development) to be left as open land area and the manner in which such portions, if any, shall be maintained.

(j) A statement of recommended changes, if any, in the zoning ordinances, necessary or desirable for the Development and its protection against blighting influences.

(k) A statement of recommended changes, if any, in streets or street levels and of recommended vacations, if any, of streets, alleys, or other public spaces.

(l) A statement in detail of the estimated Development Cost and of the proposed method of financing the Development, sufficient to give assurance that the Neighborhood Redevelopment Corporation will be able to complete and operate the Development.

(m) An estimate of the periods of time within which, after the approval of the Development Plan, the Neighborhood Redevelopment Corporation will be able to initiate and to complete its Development, excepting unexpected delays not caused by it.

(n) A statement of the character, approximate number of

units, approximate rentals and approximate date of availability of the proposed dwelling accommodations, if any, to be furnished during construction and upon completion of the Development.

(o) Such other statements or material as the applicant Neighborhood Redevelopment Corporation deems relevant, including recommendations for the Redevelopment of one or more areas contiguous to the proposed Development Area.

(2) No certificate of convenience and necessity shall be issued by the Redevelopment Commission upon application by a Neighborhood Redevelopment Corporation except upon the fulfillment of the following conditions:

(a) That the Neighborhood Redevelopment Corporation has filed with the Redevelopment Commission a bond, in form and with surety or sureties satisfactory to the Redevelopment Commission, in the penal sum of ten per centum of the estimated Development Cost as set out in the application of the Neighborhood Redevelopment Corporation but in no event to exceed \$10,000.00, payable to the city, village or incorporated town creating the Redevelopment Commission, the payment to be deposited in the general corporate fund of such city, village or incorporated town, the bond to be conditioned upon the initiation and completion of the Development within the respective time limits, or authorized extensions thereof, prescribed by the Redevelopment Commission.

(b) That the Neighborhood Redevelopment Corporation has agreed in writing to incorporate in its instruments of sale, conveyance, transfer, lease or assignment such restrictions as the Redevelopment Commission may by rule, pursuant to paragraph 1 of Section 25 of this Act, impose as to the type of construction, use, landscape and architectural design of the Development.

(c) That the Neighborhood Redevelopment Corporation, other than for or in a Conservation Area, has agreed in writing to devote as a minimum ten per centum of the Development Area for a park, playground or recreation center for the use of the

Development (the site or sites for which shall be determined by the Redevelopment Commission), to provide adequate financial arrangements for defraying the upkeep thereof during its corporate existence, and to place thereon, in the manner prescribed by subparagraph (b) of paragraph 2 of this Section, such use restrictions as the Development Commission may by rule impose; Provided, that in determining the proportion of open land area required by any zoning ordinance compared to the land area used for building purposes, the portion so devoted for park, playground or recreation center shall be counted as open land area.

(d) That the Neighborhood Redevelopment Corporation has agreed in writing that in selling, leasing and managing all Real Property subject to the plan there will be no discrimination against any person on account of race, color, creed, national origin or sex.

(e) That the Redevelopment Commission shall, after the public hearing provided by paragraph 1 of Section 18 of this Act, have made the determinations provided in paragraph 3 of this Section 17, either originally or after the application has been remanded upon judicial review.

(3) The Redevelopment Commission, before the issuance of the certificate of convenience and necessity to a Neighborhood Redevelopment Corporation, shall determine that:

(a) The Development Area is within an area which, under the conditions existing at the time, is a Slum and Blight or Conservation Area as defined by this Act and that no interest in Real Property in the proposed Development Area is to be acquired because of the race, color, creed, national origin or sex of any person owning or claiming any interest in that Real Property.

(b) The Redevelopment of the Development Area in accordance with the Development Plan is designed to effectuate the public purposes declared in Section 2 of this Act.

(c) The Development Plan conforms to the zoning ordinances, if any, applicable to the Development Area, and further

conforms to the official plan of the city, village or incorporated town wherein the Development Area is located, or, in the absence of such an official plan, to the plan, if any, adopted by the Plan Commission, if any, of such city, village or incorporated town as evidenced by a report on such adopted plan prepared by such Plan Commission and on file with the Redevelopment Commission.

(d) Public facilities, including, but not limited to, fire and police protection, and recreation, are presently adequate, or will be adequate at the time that the Development is ready for use, to service the Development Area.

(e) The execution of the Development Plan will not cause undue hardship to the families, if any, occupying dwelling accommodations in the Development Area, to such a degree as to outweigh the public use defined in Section 2 of this Act to be achieved through the Redevelopment of such Development Area.

(f) The estimated Development Cost of the Development is sufficient for the proposed Redevelopment.

(g) Other than in or for a Conservation Area, no portion, greater by ten per centum in area, of the Development Area is designed by the Development Plan for use other than residential except in those instances wherein the Plan Commission, if any, of the city, village or incorporated town concerned, has filed with the Redevelopment Commission, pursuant to paragraph 1 of Section 18 of this Act, an advisory report recommending a greater portion by area than ten per centum, in which instances, no portion, greater than that so recommended, of the Development Area is designed by the Development Plan for use other than residential.

(h) The conditions prescribed by paragraph 2 of this Section have been fulfilled.

(4) No certificate of convenience and necessity shall be issued by a Redevelopment Commission in St. Clair County without the approval, by a majority vote, of the city council or the board of trustees of the village or incorporated town, as the case may be, in which the Development Area is located.

Public Act 093-1037

HB0623 Enrolled

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(Source: P.A. 81-266.)