



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5799

by Rep. Mark Batinick

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4

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

65 ILCS 5/11-74.4-4.3 new

Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that on or after the effective date of the amendatory Act, tax increment revenues may be utilized for jointly undertaken and performed redevelopment projects only in an amount equal to the percentage of eligible costs undertaken within the redevelopment project area that received the revenue. Provides that tax increment revenues received in one redevelopment project area may not be used for eligible costs in another redevelopment project area and tax increment revenues may not be transferred to another redevelopment project area. Provides that if there are any contracts or agreements in force on the effective date of the amendatory Act, tax increment revenues may continue to be used or transferred to another redevelopment project area or utilized for jointly undertaken and performed redevelopment projects after only to the extent necessary to comply with the contract or agreement.

LRB100 19821 AWJ 35097 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 11-74.4-4 and by adding Section 11-74.4-4.3 as  
6 follows:

7 (65 ILCS 5/11-74.4-4) (from Ch. 24, par. 11-74.4-4)

8 Sec. 11-74.4-4. Municipal powers and duties; redevelopment  
9 project areas. The changes made by this amendatory Act of the  
10 91st General Assembly do not apply to a municipality that, (i)  
11 before the effective date of this amendatory Act of the 91st  
12 General Assembly, has adopted an ordinance or resolution fixing  
13 a time and place for a public hearing under Section 11-74.4-5  
14 or (ii) before July 1, 1999, has adopted an ordinance or  
15 resolution providing for a feasibility study under Section  
16 11-74.4-4.1, but has not yet adopted an ordinance approving  
17 redevelopment plans and redevelopment projects or designating  
18 redevelopment project areas under this Section, until after  
19 that municipality adopts an ordinance approving redevelopment  
20 plans and redevelopment projects or designating redevelopment  
21 project areas under this Section; thereafter the changes made  
22 by this amendatory Act of the 91st General Assembly apply to  
23 the same extent that they apply to redevelopment plans and

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

4 A municipality may:

5 (a) By ordinance introduced in the governing body of  
6 the municipality within 14 to 90 days from the completion  
7 of the hearing specified in Section 11-74.4-5 approve  
8 redevelopment plans and redevelopment projects, and  
9 designate redevelopment project areas pursuant to notice  
10 and hearing required by this Act. No redevelopment project  
11 area shall be designated unless a plan and project are  
12 approved prior to the designation of such area and such  
13 area shall include only those contiguous parcels of real  
14 property and improvements thereon substantially benefited  
15 by the proposed redevelopment project improvements. Upon  
16 adoption of the ordinances, the municipality shall  
17 forthwith transmit to the county clerk of the county or  
18 counties within which the redevelopment project area is  
19 located a certified copy of the ordinances, a legal  
20 description of the redevelopment project area, a map of the  
21 redevelopment project area, identification of the year  
22 that the county clerk shall use for determining the total  
23 initial equalized assessed value of the redevelopment  
24 project area consistent with subsection (a) of Section  
25 11-74.4-9, and a list of the parcel or tax identification  
26 number of each parcel of property included in the

1 redevelopment project area.

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

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

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

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

20 (e) Within a redevelopment project area, renovate or  
21 rehabilitate or construct any structure or building, as  
22 permitted under this Act.

23 (f) Install, repair, construct, reconstruct or  
24 relocate streets, utilities and site improvements  
25 essential to the preparation of the redevelopment area for  
26 use in accordance with a redevelopment plan.

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

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

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

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

25 (k) Create a commission of not less than 5 or more than  
26 15 persons to be appointed by the mayor or president of the

1 municipality with the consent of the majority of the  
2 governing board of the municipality. Members of a  
3 commission appointed after the effective date of this  
4 amendatory Act of 1987 shall be appointed for initial terms  
5 of 1, 2, 3, 4 and 5 years, respectively, in such numbers as  
6 to provide that the terms of not more than 1/3 of all such  
7 members shall expire in any one year. Their successors  
8 shall be appointed for a term of 5 years. The commission,  
9 subject to approval of the corporate authorities may  
10 exercise the powers enumerated in this Section. The  
11 commission shall also have the power to hold the public  
12 hearings required by this division and make  
13 recommendations to the corporate authorities concerning  
14 the adoption of redevelopment plans, redevelopment  
15 projects and designation of redevelopment project areas.

16 (l) Make payment in lieu of taxes or a portion thereof  
17 to taxing districts. If payments in lieu of taxes or a  
18 portion thereof are made to taxing districts, those  
19 payments shall be made to all districts within a project  
20 redevelopment area on a basis which is proportional to the  
21 current collections of revenue which each taxing district  
22 receives from real property in the redevelopment project  
23 area.

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

26 (n) If any member of the corporate authority, a member

1 of a commission established pursuant to Section  
2 11-74.4-4(k) of this Act, or an employee or consultant of  
3 the municipality involved in the planning and preparation  
4 of a redevelopment plan, or project for a redevelopment  
5 project area or proposed redevelopment project area, as  
6 defined in Sections 11-74.4-3(i) through (k) of this Act,  
7 owns or controls an interest, direct or indirect, in any  
8 property included in any redevelopment area, or proposed  
9 redevelopment area, he or she shall disclose the same in  
10 writing to the clerk of the municipality, and shall also so  
11 disclose the dates and terms and conditions of any  
12 disposition of any such interest, which disclosures shall  
13 be acknowledged by the corporate authorities and entered  
14 upon the minute books of the corporate authorities. If an  
15 individual holds such an interest then that individual  
16 shall refrain from any further official involvement in  
17 regard to such redevelopment plan, project or area, from  
18 voting on any matter pertaining to such redevelopment plan,  
19 project or area, or communicating with other members  
20 concerning corporate authorities, commission or employees  
21 concerning any matter pertaining to said redevelopment  
22 plan, project or area. Furthermore, no such member or  
23 employee shall acquire of any interest direct, or indirect,  
24 in any property in a redevelopment area or proposed  
25 redevelopment area after either (a) such individual  
26 obtains knowledge of such plan, project or area or (b)



1 first public notice of such plan, project or area pursuant  
2 to Section 11-74.4-6 of this Division, whichever occurs  
3 first. For the purposes of this subsection, a property  
4 interest acquired in a single parcel of property by a  
5 member of the corporate authority, which property is used  
6 exclusively as the member's primary residence, shall not be  
7 deemed to constitute an interest in any property included  
8 in a redevelopment area or proposed redevelopment area that  
9 was established before December 31, 1989, but the member  
10 must disclose the acquisition to the municipal clerk under  
11 the provisions of this subsection. A single property  
12 interest acquired within one year after the effective date  
13 of this amendatory Act of the 94th General Assembly or 2  
14 years after the effective date of this amendatory Act of  
15 the 95th General Assembly by a member of the corporate  
16 authority does not constitute an interest in any property  
17 included in any redevelopment area or proposed  
18 redevelopment area, regardless of when the redevelopment  
19 area was established, if (i) the property is used  
20 exclusively as the member's primary residence, (ii) the  
21 member discloses the acquisition to the municipal clerk  
22 under the provisions of this subsection, (iii) the  
23 acquisition is for fair market value, (iv) the member  
24 acquires the property as a result of the property being  
25 publicly advertised for sale, and (v) the member refrains  
26 from voting on, and communicating with other members

1 concerning, any matter when the benefits to the  
2 redevelopment project or area would be significantly  
3 greater than the benefits to the municipality as a whole.  
4 For the purposes of this subsection, a month-to-month  
5 leasehold interest in a single parcel of property by a  
6 member of the corporate authority shall not be deemed to  
7 constitute an interest in any property included in any  
8 redevelopment area or proposed redevelopment area, but the  
9 member must disclose the interest to the municipal clerk  
10 under the provisions of this subsection.

11 (o) Create a Tax Increment Economic Development  
12 Advisory Committee to be appointed by the Mayor or  
13 President of the municipality with the consent of the  
14 majority of the governing board of the municipality, the  
15 members of which Committee shall be appointed for initial  
16 terms of 1, 2, 3, 4 and 5 years respectively, in such  
17 numbers as to provide that the terms of not more than 1/3  
18 of all such members shall expire in any one year. Their  
19 successors shall be appointed for a term of 5 years. The  
20 Committee shall have none of the powers enumerated in this  
21 Section. The Committee shall serve in an advisory capacity  
22 only. The Committee may advise the governing Board of the  
23 municipality and other municipal officials regarding  
24 development issues and opportunities within the  
25 redevelopment project area or the area within the State  
26 Sales Tax Boundary. The Committee may also promote and

1 publicize development opportunities in the redevelopment  
2 project area or the area within the State Sales Tax  
3 Boundary.

4 (p) Municipalities may jointly undertake and perform  
5 redevelopment plans and projects and utilize the  
6 provisions of the Act wherever they have contiguous  
7 redevelopment project areas or they determine to adopt tax  
8 increment financing with respect to a redevelopment  
9 project area which includes contiguous real property  
10 within the boundaries of the municipalities, and in doing  
11 so, they may, by agreement between municipalities, issue  
12 obligations, separately or jointly, and expend revenues  
13 received under the Act for eligible expenses anywhere  
14 within contiguous redevelopment project areas or as  
15 otherwise permitted in the Act. With respect to  
16 redevelopment project areas that are established within a  
17 transit facility improvement area, the provisions of this  
18 subsection apply only with respect to such redevelopment  
19 project areas that are contiguous to each other.

20 On or after the effective date of this amendatory Act  
21 of the 100th General Assembly, revenues received under this  
22 Act may be utilized under this subsection (p) for jointly  
23 undertaken and performed redevelopment plans and projects  
24 only in an amount equal to the percentage of eligible costs  
25 undertaken within the redevelopment project area that  
26 received the revenue. However, if there are any contracts

1 or agreements in force on the effective date of this  
2 amendatory Act of the 100th General Assembly consistent  
3 with the provisions of this subsection (p), revenues  
4 received under this Act may continue to be used in  
5 accordance with the contract or agreement after the  
6 effective date of this amendatory Act of the 100th General  
7 Assembly only to the extent necessary to comply with the  
8 contract or agreement. The contract or agreement may not be  
9 modified, renewed, or extended after the effective date of  
10 this amendatory Act of the 100th General Assembly unless  
11 the contract or agreement complies with the provisions of  
12 this subsection (p) of the time the contract is executed.

13 (q) Before the effective date of this amendatory Act of  
14 the 100th General Assembly, utilize ~~Utilize~~ revenues,  
15 other than State sales tax increment revenues, received  
16 under this Act from one redevelopment project area for  
17 eligible costs in another redevelopment project area that  
18 is:

19 (i) contiguous to the redevelopment project area  
20 from which the revenues are received;

21 (ii) separated only by a public right of way from  
22 the redevelopment project area from which the revenues  
23 are received; or

24 (iii) separated only by forest preserve property  
25 from the redevelopment project area from which the  
26 revenues are received if the closest boundaries of the

1           redevelopment project areas that are separated by the  
2           forest preserve property are less than one mile apart.

3           Utilize tax increment revenues for eligible costs that  
4           are received from a redevelopment project area created  
5           under the Industrial Jobs Recovery Law that is either  
6           contiguous to, or is separated only by a public right of  
7           way from, the redevelopment project area created under this  
8           Act which initially receives these revenues. Utilize  
9           revenues, other than State sales tax increment revenues, by  
10          transferring or loaning such revenues to a redevelopment  
11          project area created under the Industrial Jobs Recovery Law  
12          that is either contiguous to, or separated only by a public  
13          right of way from the redevelopment project area that  
14          initially produced and received those revenues; and, if the  
15          redevelopment project area (i) was established before the  
16          effective date of this amendatory Act of the 91st General  
17          Assembly and (ii) is located within a municipality with a  
18          population of more than 100,000, utilize revenues or  
19          proceeds of obligations authorized by Section 11-74.4-7 of  
20          this Act, other than use or occupation tax revenues, to pay  
21          for any redevelopment project costs as defined by  
22          subsection (q) of Section 11-74.4-3 to the extent that the  
23          redevelopment project costs involve public property that  
24          is either contiguous to, or separated only by a public  
25          right of way from, a redevelopment project area whether or  
26          not redevelopment project costs or the source of payment

1 for the costs are specifically set forth in the  
2 redevelopment plan for the redevelopment project area.

3 (r) If no redevelopment project has been initiated in a  
4 redevelopment project area within 7 years after the area  
5 was designated by ordinance under subsection (a), the  
6 municipality shall adopt an ordinance repealing the area's  
7 designation as a redevelopment project area; provided,  
8 however, that if an area received its designation more than  
9 3 years before the effective date of this amendatory Act of  
10 1994 and no redevelopment project has been initiated within  
11 4 years after the effective date of this amendatory Act of  
12 1994, the municipality shall adopt an ordinance repealing  
13 its designation as a redevelopment project area.  
14 Initiation of a redevelopment project shall be evidenced by  
15 either a signed redevelopment agreement or expenditures on  
16 eligible redevelopment project costs associated with a  
17 redevelopment project.

18 Notwithstanding any other provision of this Section to  
19 the contrary, with respect to a redevelopment project area  
20 designated by an ordinance that was adopted on July 29,  
21 1998 by the City of Chicago, the City of Chicago shall  
22 adopt an ordinance repealing the area's designation as a  
23 redevelopment project area if no redevelopment project has  
24 been initiated in the redevelopment project area within 15  
25 years after the designation of the area. The City of  
26 Chicago may retroactively repeal any ordinance adopted by

1 the City of Chicago, pursuant to this subsection (r), that  
2 repealed the designation of a redevelopment project area  
3 designated by an ordinance that was adopted by the City of  
4 Chicago on July 29, 1998. The City of Chicago has 90 days  
5 after the effective date of this amendatory Act to repeal  
6 the ordinance. The changes to this Section made by this  
7 amendatory Act of the 96th General Assembly apply  
8 retroactively to July 27, 2005.

9 (Source: P.A. 99-792, eff. 8-12-16.)

10 (65 ILCS 5/11-74.4-4.3 new)

11 Sec. 11-74.4-4.3. Use or transfer of revenues to another  
12 redevelopment project area.

13 (a) Notwithstanding any other provision of law other than  
14 subsection (b), revenues received under this Act in one  
15 redevelopment project area may not be used for eligible costs  
16 in another redevelopment project area on or after the effective  
17 date of this amendatory Act of the 100th General Assembly and  
18 revenues received under this Act may not be transferred to  
19 another redevelopment project area on or after the effective  
20 date of this amendatory Act of the 100th General Assembly.

21 (b) If there are any contracts or agreements in force on  
22 the effective date of this amendatory Act of the 100th General  
23 Assembly, including contracts or agreements for the purposes  
24 described in subsection (p) or (q) of Section 11-74.4-4,  
25 revenues received under this Act may be continue to be used for

1 eligible costs in another redevelopment project area or  
2 transferred to another redevelopment project area after the  
3 effective date of this amendatory Act of the 100th General  
4 Assembly only to the extent necessary to comply with the  
5 contract or agreement. The contract or agreement may not be  
6 renewed or extended after the effective date of this amendatory  
7 Act of the 100th General Assembly unless the contract or  
8 agreement complies with the provisions of this Act at the time  
9 the contract is executed.