



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB2348**

Introduced 1/18/2006, by Sen. John J. Cullerton

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/11-74.4-4

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

Amends the Municipal Code. Changes a Section that prohibits any member of a corporate authority of a municipality that is involved in a redevelopment project from acquiring an interest in any property located in the redevelopment area either after the individual obtains knowledge of the project or after the first public notice of the project, and requires that those members who own or control an interest in property located within the redevelopment project area disclose the terms of the interest and refrain from any further official involvement or communication regarding the redevelopment plan. Changes the exception for property purchased as the member's exclusive and primary residence by eliminating the requirement that the exception only applies to property interests in a redevelopment area, or a proposed redevelopment area that was established before December 31, 1989. Effective immediately.

LRB094 16185 HLH 51428 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 11-74.4-4 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. A municipality may:

9 (a) The changes made by this amendatory Act of the 91st  
10 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  
24 redevelopment projects that were approved and redevelopment  
25 projects that were designated before the effective date of this  
26 amendatory Act of the 91st General Assembly.

27 By ordinance introduced in the governing body of the  
28 municipality within 14 to 90 days from the completion of the  
29 hearing specified in Section 11-74.4-5 approve redevelopment  
30 plans and redevelopment projects, and designate redevelopment  
31 project areas pursuant to notice and hearing required by this  
32 Act. No redevelopment project area shall be designated unless a

1 plan and project are approved prior to the designation of such  
2 area and such area shall include only those contiguous parcels  
3 of real property and improvements thereon substantially  
4 benefited by the proposed redevelopment project improvements.  
5 Upon adoption of the ordinances, the municipality shall  
6 forthwith transmit to the county clerk of the county or  
7 counties within which the redevelopment project area is located  
8 a certified copy of the ordinances, a legal description of the  
9 redevelopment project area, a map of the redevelopment project  
10 area, identification of the year that the county clerk shall  
11 use for determining the total initial equalized assessed value  
12 of the redevelopment project area consistent with subsection  
13 (a) of Section 11-74.4-9, and a list of the parcel or tax  
14 identification number of each parcel of property included in  
15 the redevelopment project area.

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

34 (c) Within a redevelopment project area, acquire by  
35 purchase, donation, lease or eminent domain; own, convey,  
36 lease, mortgage or dispose of land and other property, real or

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

18 (d) Within a redevelopment project area, clear any area by  
19 demolition or removal of any existing buildings and 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 relocate  
24 streets, utilities and site improvements essential to the  
25 preparation of the redevelopment area for use in accordance  
26 with a redevelopment plan.

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

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

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

36 (j) Incur project redevelopment costs and reimburse

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

14 (k) Create a commission of not less than 5 or more than 15  
15 persons to be appointed by the mayor or president of the  
16 municipality with the consent of the majority of the governing  
17 board of the municipality. Members of a commission appointed  
18 after the effective date of this amendatory Act of 1987 shall  
19 be appointed for initial terms of 1, 2, 3, 4 and 5 years,  
20 respectively, in such numbers as to provide that the terms of  
21 not more than 1/3 of all such members shall expire in any one  
22 year. Their successors shall be appointed for a term of 5  
23 years. The commission, subject to approval of the corporate  
24 authorities may exercise the powers enumerated in this Section.  
25 The commission shall also have the power to hold the public  
26 hearings required by this division and make recommendations to  
27 the corporate authorities concerning the adoption of  
28 redevelopment plans, redevelopment projects and designation of  
29 redevelopment project areas.

30 (l) Make payment in lieu of taxes or a portion thereof to  
31 taxing districts. If payments in lieu of taxes or a portion  
32 thereof are made to taxing districts, those payments shall be  
33 made to all districts within a project redevelopment area on a  
34 basis which is proportional to the current collections of  
35 revenue which each taxing district receives from real property  
36 in the redevelopment project area.

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

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

1 disclose the acquisition to the municipal clerk under the  
2 provisions of this subsection. For the purposes of this  
3 subsection, a month-to-month leasehold interest in a single  
4 parcel of property by a member of the corporate authority shall  
5 not be deemed to constitute an interest in any property  
6 included in any redevelopment area or proposed redevelopment  
7 area, but the member must disclose the interest to the  
8 municipal clerk under the provisions of this subsection.

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

26 (p) Municipalities may jointly undertake and perform  
27 redevelopment plans and projects and utilize the provisions of  
28 the Act wherever they have contiguous redevelopment project  
29 areas or they determine to adopt tax increment financing with  
30 respect to a redevelopment project area which includes  
31 contiguous real property within the boundaries of the  
32 municipalities, and in doing so, they may, by agreement between  
33 municipalities, issue obligations, separately or jointly, and  
34 expend revenues received under the Act for eligible expenses  
35 anywhere within contiguous redevelopment project areas or as  
36 otherwise permitted in the Act.

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

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

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

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

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



1 redevelopment project costs or the source of payment for the  
2 costs are specifically set forth in the redevelopment plan for  
3 the redevelopment project area.

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

18 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03;  
19 93-961, eff. 1-1-05; 93-1098, eff. 1-1-06.)

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