



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4327

Introduced 12/29/2005, by Rep. Patricia Reid Lindner

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4

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

Amends the Illinois Municipal Code. Creates an additional requirement that at least one member of any redevelopment commission created by a municipality must be a representative of a school district that is located within the proposed redevelopment project area. Effective immediately

LRB094 15946 HLH 51174 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. Beginning on the effective date of this amendatory Act
24 of the 94th General Assembly, when a vacancy occurs on a
25 commission created before that effective date and when
26 appointments are made to a commission created on or after that
27 effective date, then at least one commission member must be a
28 representative of a school district that is located within the
29 proposed redevelopment project area. The commission, subject
30 to approval of the corporate authorities may exercise the
31 powers enumerated in this Section. The commission shall also
32 have the power to hold the public hearings required by this
33 division and make recommendations to the corporate authorities
34 concerning the adoption of redevelopment plans, redevelopment
35 projects and designation of redevelopment project areas.

36 (l) Make payment in lieu of taxes or a portion thereof to

1 taxing districts. If payments in lieu of taxes or a portion
2 thereof are made to taxing districts, those payments shall be
3 made to all districts within a project redevelopment area on a
4 basis which is proportional to the current collections of
5 revenue which each taxing district receives from real property
6 in the redevelopment project area.

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

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

1 interest acquired in a single parcel of property by a member of
2 the corporate authority, which property is used exclusively as
3 the member's primary residence, shall not be deemed to
4 constitute an interest in any property included in a
5 redevelopment area or proposed redevelopment area that was
6 established before December 31, 1989, but the member must
7 disclose the acquisition to the municipal clerk under the
8 provisions of this subsection. For the purposes of this
9 subsection, a month-to-month leasehold interest in a single
10 parcel of property by a member of the corporate authority shall
11 not be deemed to constitute an interest in any property
12 included in any redevelopment area or proposed redevelopment
13 area, but the member must disclose the interest to the
14 municipal clerk under the provisions of this subsection.

15 (o) Create a Tax Increment Economic Development Advisory
16 Committee to be appointed by the Mayor or President of the
17 municipality with the consent of the majority of the governing
18 board of the municipality, the members of which Committee 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 Committee shall have none of the powers enumerated
24 in this Section. The Committee shall serve in an advisory
25 capacity only. The Committee may advise the governing Board of
26 the municipality and other municipal officials regarding
27 development issues and opportunities within the redevelopment
28 project area or the area within the State Sales Tax Boundary.
29 The Committee may also promote and publicize development
30 opportunities in the redevelopment project area or the area
31 within the State Sales Tax Boundary.

32 (p) Municipalities may jointly undertake and perform
33 redevelopment plans and projects and utilize the provisions of
34 the Act wherever they have contiguous redevelopment project
35 areas or they determine to adopt tax increment financing with
36 respect to a redevelopment project area which includes

1 contiguous real property within the boundaries of the
2 municipalities, and in doing so, they may, by agreement between
3 municipalities, issue obligations, separately or jointly, and
4 expend revenues received under the Act for eligible expenses
5 anywhere within contiguous redevelopment project areas or as
6 otherwise permitted in the Act.

7 (q) Utilize revenues, other than State sales tax increment
8 revenues, received under this Act from one redevelopment
9 project area for eligible costs in another redevelopment
10 project area that is:

11 (i) contiguous to the redevelopment project area from
12 which the revenues are received;

13 (ii) separated only by a public right of way from the
14 redevelopment project area from which the revenues are
15 received; or

16 (iii) separated only by forest preserve property from
17 the redevelopment project area from which the revenues are
18 received if the closest boundaries of the redevelopment
19 project areas that are separated by the forest preserve
20 property are less than one mile apart.

21 Utilize tax increment revenues for eligible costs that are
22 received from a redevelopment project area created under the
23 Industrial Jobs Recovery Law that is either contiguous to, or
24 is separated only by a public right of way from, the
25 redevelopment project area created under this Act which
26 initially receives these revenues. Utilize revenues, other
27 than State sales tax increment revenues, by transferring or
28 loaning such revenues to a redevelopment project area created
29 under the Industrial Jobs Recovery Law that is either
30 contiguous to, or separated only by a public right of way from
31 the redevelopment project area that initially produced and
32 received those revenues; and, if the redevelopment project area
33 (i) was established before the effective date of this
34 amendatory Act of the 91st General Assembly and (ii) is located
35 within a municipality with a population of more than 100,000,
36 utilize revenues or proceeds of obligations authorized by

1 Section 11-74.4-7 of this Act, other than use or occupation tax
2 revenues, to pay for any redevelopment project costs as defined
3 by subsection (q) of Section 11-74.4-3 to the extent that the
4 redevelopment project costs involve public property that is
5 either contiguous to, or separated only by a public right of
6 way from, a redevelopment project area whether or not
7 redevelopment project costs or the source of payment for the
8 costs are specifically set forth in the redevelopment plan for
9 the redevelopment project area.

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

24 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03;
25 93-961, eff. 1-1-05; 93-1098, eff. 1-1-06.)

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.