

HB0372



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0372

by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-4

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

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that the City of Waukegan may utilize revenues, other than State sales tax increment revenues, from one redevelopment project area for eligible costs in another redevelopment project area. Effective immediately.

LRB100 03915 AWJ 13920 b

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

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

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

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

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

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

26 (g) Within a redevelopment project area, fix, charge

1 and collect fees, rents and charges for the use of any
2 building or property owned or leased by it or any part
3 thereof, or facility therein.

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

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

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

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

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

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

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

25 (n) If any member of the corporate authority, a member
26 of a commission established pursuant to Section

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

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

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

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

1 project area or the area within the State Sales Tax
2 Boundary.

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

19 (q) Utilize revenues, other than State sales tax
20 increment revenues, received under this Act from one
21 redevelopment project area for eligible costs in another
22 redevelopment project area that is:

23 (i) contiguous to the redevelopment project area
24 from which the revenues are received;

25 (ii) separated only by a public right of way from
26 the redevelopment project area from which the revenues

1 are received; or

2 (iii) separated only by forest preserve property
3 from the redevelopment project area from which the
4 revenues are received if the closest boundaries of the
5 redevelopment project areas that are separated by the
6 forest preserve property are less than one mile apart.

7 Utilize tax increment revenues for eligible costs that
8 are received from a redevelopment project area created
9 under the Industrial Jobs Recovery Law that is either
10 contiguous to, or is separated only by a public right of
11 way from, the redevelopment project area created under this
12 Act which initially receives these revenues. Utilize
13 revenues, other than State sales tax increment revenues, by
14 transferring or loaning such revenues to a redevelopment
15 project area created under the Industrial Jobs Recovery Law
16 that is either contiguous to, or separated only by a public
17 right of way from the redevelopment project area that
18 initially produced and received those revenues; and, if the
19 redevelopment project area (i) was established before the
20 effective date of this amendatory Act of the 91st General
21 Assembly and (ii) is located within a municipality with a
22 population of more than 100,000, utilize revenues or
23 proceeds of obligations authorized by Section 11-74.4-7 of
24 this Act, other than use or occupation tax revenues, to pay
25 for any redevelopment project costs as defined by
26 subsection (q) of Section 11-74.4-3 to the extent that the

1 redevelopment project costs involve public property that
2 is either contiguous to, or separated only by a public
3 right of way from, a redevelopment project area whether or
4 not redevelopment project costs or the source of payment
5 for the costs are specifically set forth in the
6 redevelopment plan for the redevelopment project area.

7 (q-5) Utilize revenues, other than the State sales tax
8 increment revenues, received under this Act from one
9 redevelopment project area located within the City of
10 Waukegan for eligible costs in another redevelopment
11 project area located within the City of Waukegan.

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

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

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

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