

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

24 (o) Create a Tax Increment Economic Development Advisory
25 Committee to be appointed by the Mayor or President of the
26 municipality with the consent of the majority of the governing
27 board of the municipality, the members of which Committee shall
28 be appointed for initial terms of 1, 2, 3, 4 and 5 years
29 respectively, in such numbers as to provide that the terms of
30 not more than 1/3 of all such members shall expire in any one
31 year. Their successors shall be appointed for a term of 5
32 years. The Committee shall have none of the powers enumerated
33 in this Section. The Committee shall serve in an advisory
34 capacity only. The Committee may advise the governing Board of
35 the municipality and other municipal officials regarding
36 development issues and opportunities within the redevelopment

1 project area or the area within the State Sales Tax Boundary.
2 The Committee may also promote and publicize development
3 opportunities in the redevelopment project area or the area
4 within the State Sales Tax Boundary.

5 (p) Municipalities may jointly undertake and perform
6 redevelopment plans and projects and utilize the provisions of
7 the Act wherever they have contiguous redevelopment project
8 areas or they determine to adopt tax increment financing with
9 respect to a redevelopment project area which includes
10 contiguous real property within the boundaries of the
11 municipalities, and in doing so, they may, by agreement between
12 municipalities, issue obligations, separately or jointly, and
13 expend revenues received under the Act for eligible expenses
14 anywhere within contiguous redevelopment project areas or as
15 otherwise permitted in the Act.

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

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

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

25 (iii) separated only by forest preserve property from
26 the redevelopment project area from which the revenues are
27 received if the closest boundaries of the redevelopment
28 project areas that are separated by the forest preserve
29 property are less than one mile apart.

30 Utilize tax increment revenues for eligible costs that are
31 received from a redevelopment project area created under the
32 Industrial Jobs Recovery Law that is either contiguous to, or
33 is separated only by a public right of way from, the
34 redevelopment project area created under this Act which
35 initially receives these revenues. Utilize revenues, other
36 than State sales tax increment revenues, by transferring or

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

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

33 (Source: P.A. 92-16, eff. 6-28-01; 93-298, eff. 7-23-03;
34 93-961, eff. 1-1-05; 93-1098, eff. 1-1-06.)

35 Section 99. Effective date. This Act takes effect January

1 1, 2007.