

**SB2929**



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**SB2929**

Introduced 1/20/2006, by Sen. Dan Cronin

**SYNOPSIS AS INTRODUCED:**

65 ILCS 5/11-74.4-5

from Ch. 24, par. 11-74.4-5

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Makes a technical change in a Section concerning the adoption of a redevelopment plan or project.

LRB094 19148 BDD 54678 b

**A BILL FOR**

1 AN ACT concerning municipalities.

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 11-74.4-5 as follows:

6 (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5)

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

26 Prior to the adoption of an ordinance proposing the  
27 designation of a redevelopment project area, or approving a  
28 redevelopment plan or redevelopment project, the municipality  
29 by its corporate authorities, or as it may determine by any  
30 commission designated under subsection (k) of Section  
31 11-74.4-4 shall adopt an ordinance or resolution fixing a time  
32 and place for public hearing. At least 10 days prior to the

1 adoption of the ordinance or resolution establishing the time  
2 and place for the public hearing, the municipality shall make  
3 available for public inspection a redevelopment plan or a  
4 separate report that provides in reasonable detail the basis  
5 for the eligibility of the redevelopment project area. The  
6 report along with the name of a person to contact for further  
7 information shall be sent within a reasonable time after the  
8 adoption of such ordinance or resolution to the affected taxing  
9 districts by certified mail. On and after the effective date of  
10 this amendatory Act of the 91st General Assembly, the  
11 municipality shall print in a newspaper of general circulation  
12 within the municipality a notice that interested persons may  
13 register with the municipality in order to receive information  
14 on the proposed designation of a redevelopment project area or  
15 the approval of a redevelopment plan. The notice shall state  
16 the place of registration and the operating hours of that  
17 place. The municipality shall have adopted reasonable rules to  
18 implement this registration process under Section 11-74.4-4.2.  
19 The municipality shall provide notice of the availability of  
20 the redevelopment plan and eligibility report, including how to  
21 obtain this information, by mail within a reasonable time after  
22 the adoption of the ordinance or resolution, to all residential  
23 addresses that, after a good faith effort, the municipality  
24 determines are located outside the proposed redevelopment  
25 project area and within 750 feet of the boundaries of the  
26 proposed redevelopment project area. This requirement is  
27 subject to the limitation that in a municipality with a  
28 population of over 100,000, if the total number of residential  
29 addresses outside the proposed redevelopment project area and  
30 within 750 feet of the boundaries of the proposed redevelopment  
31 project area exceeds 750, the municipality shall be required to  
32 provide the notice to only the 750 residential addresses that,  
33 after a good faith effort, the municipality determines are  
34 outside the proposed redevelopment project area and closest to  
35 the boundaries of the proposed redevelopment project area.  
36 Notwithstanding the foregoing, notice given after August 7,

1 2001 (the effective date of Public Act 92-263) and before the  
2 effective date of this amendatory Act of the 92nd General  
3 Assembly to residential addresses within 750 feet of the  
4 boundaries of a proposed redevelopment project area shall be  
5 deemed to have been sufficiently given in compliance with this  
6 Act if given only to residents outside the boundaries of the  
7 proposed redevelopment project area. The notice shall also be  
8 provided by the municipality, regardless of its population, to  
9 those organizations and residents that have registered with the  
10 municipality for that information in accordance with the  
11 registration guidelines established by the municipality under  
12 Section 11-74.4-4.2.

13 At the public hearing any interested person or affected  
14 taxing district may file with the municipal clerk written  
15 objections to and may be heard orally in respect to any issues  
16 embodied in the notice. The municipality shall hear all  
17 protests and objections at the hearing and the hearing may be  
18 adjourned to another date without further notice other than a  
19 motion to be entered upon the minutes fixing the time and place  
20 of the subsequent hearing. At the public hearing or at any time  
21 prior to the adoption by the municipality of an ordinance  
22 approving a redevelopment plan, the municipality may make  
23 changes in the redevelopment plan. Changes which (1) add  
24 additional parcels of property to the proposed redevelopment  
25 project area, (2) substantially affect the general land uses  
26 proposed in the redevelopment plan, (3) substantially change  
27 the nature of or extend the life of the redevelopment project,  
28 or (4) increase the number of inhabited residential units to be  
29 displaced from the redevelopment project area, as measured from  
30 the time of creation of the redevelopment project area, to a  
31 total of more than 10, shall be made only after the  
32 municipality gives notice, convenes a joint review board, and  
33 conducts a public hearing pursuant to the procedures set forth  
34 in this Section and in Section 11-74.4-6 of this Act. Changes  
35 which do not (1) add additional parcels of property to the  
36 proposed redevelopment project area, (2) substantially affect

1 the general land uses proposed in the redevelopment plan, (3)  
2 substantially change the nature of or extend the life of the  
3 redevelopment project, or (4) increase the number of inhabited  
4 residential units to be displaced from the redevelopment  
5 project area, as measured from the time of creation of the  
6 redevelopment project area, to a total of more than 10, may be  
7 made without further hearing, provided that the municipality  
8 shall give notice of any such changes by mail to each affected  
9 taxing district and registrant on the interested parties  
10 registry, provided for under Section 11-74.4-4.2, and by  
11 publication in a newspaper of general circulation within the  
12 affected taxing district. Such notice by mail and by  
13 publication shall each occur not later than 10 days following  
14 the adoption by ordinance of such changes. Hearings with regard  
15 to a redevelopment project area, project or plan may be held  
16 simultaneously.

17 (b) Prior to holding a public hearing to approve or amend a  
18 redevelopment plan or to designate or add additional parcels of  
19 property to a redevelopment project area, the municipality  
20 shall convene a joint review board. The board shall consist of  
21 a representative selected by each community college district,  
22 local elementary school district and high school district or  
23 each local community unit school district, park district,  
24 library district, township, fire protection district, and  
25 county that will have the authority to directly levy taxes on  
26 the property within the proposed redevelopment project area at  
27 the time that the proposed redevelopment project area is  
28 approved, a representative selected by the municipality and a  
29 public member. The public member shall first be selected and  
30 then the board's chairperson shall be selected by a majority of  
31 the board members present and voting.

32 For redevelopment project areas with redevelopment plans  
33 or proposed redevelopment plans that would result in the  
34 displacement of residents from 10 or more inhabited residential  
35 units or that include 75 or more inhabited residential units,  
36 the public member shall be a person who resides in the

1 redevelopment project area. If, as determined by the housing  
2 impact study provided for in paragraph (5) of subsection (n) of  
3 Section 11-74.4-3, or if no housing impact study is required  
4 then based on other reasonable data, the majority of  
5 residential units are occupied by very low, low, or moderate  
6 income households, as defined in Section 3 of the Illinois  
7 Affordable Housing Act, the public member shall be a person who  
8 resides in very low, low, or moderate income housing within the  
9 redevelopment project area. Municipalities with fewer than  
10 15,000 residents shall not be required to select a person who  
11 lives in very low, low, or moderate income housing within the  
12 redevelopment project area, provided that the redevelopment  
13 plan or project will not result in displacement of residents  
14 from 10 or more inhabited units, and the municipality so  
15 certifies in the plan. If no person satisfying these  
16 requirements is available or if no qualified person will serve  
17 as the public member, then the joint review board is relieved  
18 of this paragraph's selection requirements for the public  
19 member.

20 Within 90 days of the effective date of this amendatory Act  
21 of the 91st General Assembly, each municipality that designated  
22 a redevelopment project area for which it was not required to  
23 convene a joint review board under this Section shall convene a  
24 joint review board to perform the duties specified under  
25 paragraph (e) of this Section.

26 All board members shall be appointed and the first board  
27 meeting shall be held at least 14 days but not more than 28  
28 days after the mailing of notice by the municipality to the  
29 taxing districts as required by Section 11-74.4-6(c).  
30 Notwithstanding the preceding sentence, a municipality that  
31 adopted either a public hearing resolution or a feasibility  
32 resolution between July 1, 1999 and July 1, 2000 that called  
33 for the meeting of the joint review board within 14 days of  
34 notice of public hearing to affected taxing districts is deemed  
35 to be in compliance with the notice, meeting, and public  
36 hearing provisions of the Act. Such notice shall also advise

1 the taxing bodies represented on the joint review board of the  
2 time and place of the first meeting of the board. Additional  
3 meetings of the board shall be held upon the call of any  
4 member. The municipality seeking designation of the  
5 redevelopment project area shall provide administrative  
6 support to the board.

7 The board shall review (i) the public record, planning  
8 documents and proposed ordinances approving the redevelopment  
9 plan and project and (ii) proposed amendments to the  
10 redevelopment plan or additions of parcels of property to the  
11 redevelopment project area to be adopted by the municipality.  
12 As part of its deliberations, the board may hold additional  
13 hearings on the proposal. A board's recommendation shall be an  
14 advisory, non-binding recommendation. The recommendation shall  
15 be adopted by a majority of those members present and voting.  
16 The recommendations shall be submitted to the municipality  
17 within 30 days after convening of the board. Failure of the  
18 board to submit its report on a timely basis shall not be cause  
19 to delay the public hearing or any other step in the process of  
20 designating or amending the redevelopment project area but  
21 shall be deemed to constitute approval by the joint review  
22 board of the matters before it.

23 The board shall base its recommendation to approve or  
24 disapprove the redevelopment plan and the designation of the  
25 redevelopment project area or the amendment of the  
26 redevelopment plan or addition of parcels of property to the  
27 redevelopment project area on the basis of the redevelopment  
28 project area and redevelopment plan satisfying the plan  
29 requirements, the eligibility criteria defined in Section  
30 11-74.4-3, and the objectives of this Act.

31 The board shall issue a written report describing why the  
32 redevelopment plan and project area or the amendment thereof  
33 meets or fails to meet one or more of the objectives of this  
34 Act and both the plan requirements and the eligibility criteria  
35 defined in Section 11-74.4-3. In the event the Board does not  
36 file a report it shall be presumed that these taxing bodies

1 find the redevelopment project area and redevelopment plan  
2 satisfy the objectives of this Act and the plan requirements  
3 and eligibility criteria.

4 If the board recommends rejection of the matters before it,  
5 the municipality will have 30 days within which to resubmit the  
6 plan or amendment. During this period, the municipality will  
7 meet and confer with the board and attempt to resolve those  
8 issues set forth in the board's written report that led to the  
9 rejection of the plan or amendment.

10 Notwithstanding the resubmission set forth above, the  
11 municipality may commence the scheduled public hearing and  
12 either adjourn the public hearing or continue the public  
13 hearing until a date certain. Prior to continuing any public  
14 hearing to a date certain, the municipality shall announce  
15 during the public hearing the time, date, and location for the  
16 reconvening of the public hearing. Any changes to the  
17 redevelopment plan necessary to satisfy the issues set forth in  
18 the joint review board report shall be the subject of a public  
19 hearing before the hearing is adjourned if the changes would  
20 (1) substantially affect the general land uses proposed in the  
21 redevelopment plan, (2) substantially change the nature of or  
22 extend the life of the redevelopment project, or (3) increase  
23 the number of inhabited residential units to be displaced from  
24 the redevelopment project area, as measured from the time of  
25 creation of the redevelopment project area, to a total of more  
26 than 10. Changes to the redevelopment plan necessary to satisfy  
27 the issues set forth in the joint review board report shall not  
28 require any further notice or convening of a joint review board  
29 meeting, except that any changes to the redevelopment plan that  
30 would add additional parcels of property to the proposed  
31 redevelopment project area shall be subject to the notice,  
32 public hearing, and joint review board meeting requirements  
33 established for such changes by subsection (a) of Section  
34 11-74.4-5.

35 In the event that the municipality and the board are unable  
36 to resolve these differences, or in the event that the



1 resubmitted plan or amendment is rejected by the board, the  
2 municipality may proceed with the plan or amendment, but only  
3 upon a three-fifths vote of the corporate authority responsible  
4 for approval of the plan or amendment, excluding positions of  
5 members that are vacant and those members that are ineligible  
6 to vote because of conflicts of interest.

7 (c) After a municipality has by ordinance approved a  
8 redevelopment plan and designated a redevelopment project  
9 area, the plan may be amended and additional properties may be  
10 added to the redevelopment project area only as herein  
11 provided. Amendments which (1) add additional parcels of  
12 property to the proposed redevelopment project area, (2)  
13 substantially affect the general land uses proposed in the  
14 redevelopment plan, (3) substantially change the nature of the  
15 redevelopment project, (4) increase the total estimated  
16 redevelopment project costs set out in the redevelopment plan  
17 by more than 5% after adjustment for inflation from the date  
18 the plan was adopted, (5) add additional redevelopment project  
19 costs to the itemized list of redevelopment project costs set  
20 out in the redevelopment plan, or (6) increase the number of  
21 inhabited residential units to be displaced from the  
22 redevelopment project area, as measured from the time of  
23 creation of the redevelopment project area, to a total of more  
24 than 10, shall be made only after the municipality gives  
25 notice, convenes a joint review board, and conducts a public  
26 hearing pursuant to the procedures set forth in this Section  
27 and in Section 11-74.4-6 of this Act. Changes which do not (1)  
28 add additional parcels of property to the proposed  
29 redevelopment project area, (2) substantially affect the  
30 general land uses proposed in the redevelopment plan, (3)  
31 substantially change the nature of the redevelopment project,  
32 (4) increase the total estimated redevelopment project cost set  
33 out in the redevelopment plan by more than 5% after adjustment  
34 for inflation from the date the plan was adopted, (5) add  
35 additional redevelopment project costs to the itemized list of  
36 redevelopment project costs set out in the redevelopment plan,

1 or (6) increase the number of inhabited residential units to be  
2 displaced from the redevelopment project area, as measured from  
3 the time of creation of the redevelopment project area, to a  
4 total of more than 10, may be made without further public  
5 hearing and related notices and procedures including the  
6 convening of a joint review board as set forth in Section  
7 11-74.4-6 of this Act, provided that the municipality shall  
8 give notice of any such changes by mail to each affected taxing  
9 district and registrant on the interested parties registry,  
10 provided for under Section 11-74.4-4.2, and by publication in a  
11 newspaper of general circulation within the affected taxing  
12 district. Such notice by mail and by publication shall each  
13 occur not later than 10 days following the adoption by  
14 ordinance of such changes.

15 (d) After the effective date of this amendatory Act of the  
16 91st General Assembly, a municipality shall submit the  
17 following information for each redevelopment project area (i)  
18 to the State Comptroller under Section 8-8-3.5 of the Illinois  
19 Municipal Code and (ii) to all taxing districts overlapping the  
20 redevelopment project area no later than 180 days after the  
21 close of each municipal fiscal year or as soon thereafter as  
22 the audited financial statements become available and, in any  
23 case, shall be submitted before the annual meeting of the Joint  
24 Review Board to each of the taxing districts that overlap the  
25 redevelopment project area:

26 (1) Any amendments to the redevelopment plan, the  
27 redevelopment project area, or the State Sales Tax  
28 Boundary.

29 (1.5) A list of the redevelopment project areas  
30 administered by the municipality and, if applicable, the  
31 date each redevelopment project area was designated or  
32 terminated by the municipality.

33 (2) Audited financial statements of the special tax  
34 allocation fund once a cumulative total of \$100,000 has  
35 been deposited in the fund.

36 (3) Certification of the Chief Executive Officer of the

1 municipality that the municipality has complied with all of  
2 the requirements of this Act during the preceding fiscal  
3 year.

4 (4) An opinion of legal counsel that the municipality  
5 is in compliance with this Act.

6 (5) An analysis of the special tax allocation fund  
7 which sets forth:

8 (A) the balance in the special tax allocation fund  
9 at the beginning of the fiscal year;

10 (B) all amounts deposited in the special tax  
11 allocation fund by source;

12 (C) an itemized list of all expenditures from the  
13 special tax allocation fund by category of permissible  
14 redevelopment project cost; and

15 (D) the balance in the special tax allocation fund  
16 at the end of the fiscal year including a breakdown of  
17 that balance by source and a breakdown of that balance  
18 identifying any portion of the balance that is  
19 required, pledged, earmarked, or otherwise designated  
20 for payment of or securing of obligations and  
21 anticipated redevelopment project costs. Any portion  
22 of such ending balance that has not been identified or  
23 is not identified as being required, pledged,  
24 earmarked, or otherwise designated for payment of or  
25 securing of obligations or anticipated redevelopment  
26 projects costs shall be designated as surplus as set  
27 forth in Section 11-74.4-7 hereof.

28 (6) A description of all property purchased by the  
29 municipality within the redevelopment project area  
30 including:

31 (A) Street address.

32 (B) Approximate size or description of property.

33 (C) Purchase price.

34 (D) Seller of property.

35 (7) A statement setting forth all activities  
36 undertaken in furtherance of the objectives of the

1 redevelopment plan, including:

2 (A) Any project implemented in the preceding  
3 fiscal year.

4 (B) A description of the redevelopment activities  
5 undertaken.

6 (C) A description of any agreements entered into by  
7 the municipality with regard to the disposition or  
8 redevelopment of any property within the redevelopment  
9 project area or the area within the State Sales Tax  
10 Boundary.

11 (D) Additional information on the use of all funds  
12 received under this Division and steps taken by the  
13 municipality to achieve the objectives of the  
14 redevelopment plan.

15 (E) Information regarding contracts that the  
16 municipality's tax increment advisors or consultants  
17 have entered into with entities or persons that have  
18 received, or are receiving, payments financed by tax  
19 increment revenues produced by the same redevelopment  
20 project area.

21 (F) Any reports submitted to the municipality by  
22 the joint review board.

23 (G) A review of public and, to the extent possible,  
24 private investment actually undertaken to date after  
25 the effective date of this amendatory Act of the 91st  
26 General Assembly and estimated to be undertaken during  
27 the following year. This review shall, on a  
28 project-by-project basis, set forth the estimated  
29 amounts of public and private investment incurred  
30 after the effective date of this amendatory Act of the  
31 91st General Assembly and provide the ratio of private  
32 investment to public investment to the date of the  
33 report and as estimated to the completion of the  
34 redevelopment project.

35 (8) With regard to any obligations issued by the  
36 municipality:

- 1 (A) copies of any official statements; and  
2 (B) an analysis prepared by financial advisor or  
3 underwriter setting forth: (i) nature and term of  
4 obligation; and (ii) projected debt service including  
5 required reserves and debt coverage.

6 (9) For special tax allocation funds that have  
7 experienced cumulative deposits of incremental tax  
8 revenues of \$100,000 or more, a certified audit report  
9 reviewing compliance with this Act performed by an  
10 independent public accountant certified and licensed by  
11 the authority of the State of Illinois. The financial  
12 portion of the audit must be conducted in accordance with  
13 Standards for Audits of Governmental Organizations,  
14 Programs, Activities, and Functions adopted by the  
15 Comptroller General of the United States (1981), as  
16 amended, or the standards specified by Section 8-8-5 of the  
17 Illinois Municipal Auditing Law of the Illinois Municipal  
18 Code. The audit report shall contain a letter from the  
19 independent certified public accountant indicating  
20 compliance or noncompliance with the requirements of  
21 subsection (q) of Section 11-74.4-3. For redevelopment  
22 plans or projects that would result in the displacement of  
23 residents from 10 or more inhabited residential units or  
24 that contain 75 or more inhabited residential units, notice  
25 of the availability of the information, including how to  
26 obtain the report, required in this subsection shall also  
27 be sent by mail to all residents or organizations that  
28 operate in the municipality that register with the  
29 municipality for that information according to  
30 registration procedures adopted under Section 11-74.4-4.2.  
31 All municipalities are subject to this provision.

32 (d-1) Prior to the effective date of this amendatory Act of  
33 the 91st General Assembly, municipalities with populations of  
34 over 1,000,000 shall, after adoption of a redevelopment plan or  
35 project, make available upon request to any taxing district in  
36 which the redevelopment project area is located the following

1 information:

2 (1) Any amendments to the redevelopment plan, the  
3 redevelopment project area, or the State Sales Tax  
4 Boundary; and

5 (2) In connection with any redevelopment project area  
6 for which the municipality has outstanding obligations  
7 issued to provide for redevelopment project costs pursuant  
8 to Section 11-74.4-7, audited financial statements of the  
9 special tax allocation fund.

10 (e) The joint review board shall meet annually 180 days  
11 after the close of the municipal fiscal year or as soon as the  
12 redevelopment project audit for that fiscal year becomes  
13 available to review the effectiveness and status of the  
14 redevelopment project area up to that date.

15 (f) (Blank).

16 (g) In the event that a municipality has held a public  
17 hearing under this Section prior to March 14, 1994 (the  
18 effective date of Public Act 88-537), the requirements imposed  
19 by Public Act 88-537 relating to the method of fixing the time  
20 and place for public hearing, the materials and information  
21 required to be made available for public inspection, and the  
22 information required to be sent after adoption of an ordinance  
23 or resolution fixing a time and place for public hearing shall  
24 not be applicable.

25 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
26 91-900, eff. 7-6-00; 92-263, eff. 8-7-01; 92-624, eff.  
27 7-11-02.)